

# LABOR FACT BOOK



14

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## LABOR FACT BOOK 14

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This is the latest in the unique series of Labor Fact Books that have been issued at two-year intervals since 1931. They comprise a labor and progressive supplement to world almanacs and other reference volumes, for they summarize facts and figures on many topics of interest to labor and the general reader, both in the U.S.A. and abroad.

Like the earlier volumes, No. 14 summarizes economic trends for the preceding two years, including the economic crisis of 1957-58. It follows this with a digest of significant data on labor and social conditions and on the trade union movement, including major strikes. A separate chapter gives the Canadian labor story.

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**\$2.00 each volume**

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PREPARED BY  
LABOR RESEARCH ASSOCIATION



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## FOREWORD

Like earlier volumes in this biennial series of *Labor Fact Books*, No. 14 contains entirely new material on its countless topics. It includes, in the main, facts and figures on the developments of a particular period, 1957-1958. On some points earlier years are covered in showing a trend over a longer period of time; in others, later information for 1959, up to the date of publication, has been added.

The arrangement of subjects is similar to that of previous volumes. For the first time, however, a whole chapter is devoted to developments in the labor movement of Canada where the progress of trade unionism has been in many respects similar to that in the United States.

Although in the previous volume, No. 13, a separate chapter was written on the Negro People, in the present work the information on this subject has been scattered in a number of chapters especially those on Political Affairs, Labor and Social Conditions, and Trade Unions.

As in previous *Labor Fact Books*, the sources for much of the material are not given because of lack of space. The data are derived largely from government and other standard publications, and we are always glad to supply interested readers with the source for any statements.

The use of cross references has been held to a minimum in view of the full index beginning on page 154. And the names of unions have usually been abbreviated as in previous volumes.

As always, we are indebted to a number of organizations and agencies in the trade union and progressive movement which have given us access to material, or checked that already prepared. Invaluable help has been rendered also by research advisers and experts who have given generously of their time and talent in preparing the data on particular topics.

For the valuable report on the conditions of American farmers we extend our appreciation to Farm Research Inc. and its monthly publication, *Facts for Farmers*. And to the librarians at the Schomburg Collection of the New York Public Library we are indebted for checking some of the sections dealing with the Negro People.

Many of the topics included in this as well as earlier *Labor Fact Books* are discussed also in our current LRA periodicals—*Economic Notes* and *Railroad Notes*. For possible use in these monthly bulletins, as well as in future *Labor Fact Books*, we invite officers of unions and related organizations in the United States and abroad to send us their reports and publications, addressing them to:

Labor Research Association  
80 East Eleventh St.  
New York City, 3, N. Y.

May, 1959.

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## I. ECONOMIC TRENDS

### REVIEW OF 1957-1958

The American economy in the years 1957-1958 went through the sharpest recession since World War II. It began as a crisis of over-production in the summer of 1957, and continued downward for about eight months. This was followed by an upturn that, by the end of 1958, had brought business back close to pre-recession levels.

**Decline in Nation's Economic Activity:** Comparing the first quarter of 1957 with the like quarter of 1958, the Conference on Economic Progress, in a study on *The "Recession"* prepared by Leon H. Keyserling, noted that "the economic activity of the whole Nation fell about 4½% in real terms. As we should have grown by 4 or 5%, the 'recessionary' gap was really about 9%. Due to this gap, unemployment rose about 90%, or nearly doubled."

These estimates on economic activity refer to the so-called gross national product, a broad measure of the value of all goods produced and services rendered, both government and private. In current dollar terms this GNP, as estimated by the Department of Commerce, showed a decline from an annual rate of nearly \$446 billion in the third quarter of 1957 to a rate of around \$427 billion in the first quarter of 1958, after which it recovered to a rate of \$453 billion in the fourth quarter of 1958.

Allowing for a 2-3% rise in prices, however, the aggregate physical volume of GNP at the end of 1958 was still somewhat below the 1957 peak. If we compare the full year 1958 with the previous year, the drop in real GNP, allowing for the price rise, was about 3%, a bigger decline than in either of the two previous postwar recessions.

If this real GNP is expressed in *per capita* terms, in view of the rise in U.S. population, we find that it actually began to decline after the fourth quarter of 1956 and continued downward in successive quarters to the second quarter of 1958 when it was still less than even in 1953 or 1954. (See our *Economic Notes*, Feb., 1959.)

**Per Capita Disposable Income:** Total personal income of the

people, after taxes, called "personal disposable income," held up fairly well in terms of current prices, falling only during the fourth quarter of 1957 and the first quarter of 1958. But when measured in constant prices and in relation to U.S. population growth, it showed a steady decline for a year beginning with the third quarter of 1957, when it was already well below the level of 1956.

In the second quarter of 1957 it had been \$1,846, measured in 1958 constant dollars; by the fourth quarter of 1958 it was at \$1,798. In fact, based on these estimates of disposable income in terms of real purchasing power, the per capita standard of living of the people of the U.S. by the fourth quarter of 1958 was below that of one year before, two years before or even three years before.

**Industrial Production Down:** The Federal Reserve Board index of industrial production (1947-49 = 100), which measures output in physical instead of dollar terms, reached a peak of 147 in December, 1956. Then it declined slowly for a while, but sharply after August, 1957. The subsequent low point, before the upturn began, was in April, 1958, when the index had fallen to 126, a decline of about 14% from the peak, and the lowest point reached since October, 1954. (In each of the two previous cyclical declines since World War II, the drop in this index from peak to bottom had been about 10%.) By April the number of workers employed in manufacturing, the hardest hit sector of the economy, was 1.7 million below that of a year before; the decline in the durable goods industry alone was nearly 1.4 million.

By the end of 1958 the industrial output index had advanced to 142 and it rose 2 points more by February, 1959. But its average for 1958 was only 134, which was still 5 points under the average 3 years before in 1955, and 9 points below the 143 average for both 1956 and 1957. In fact, U.S. industrial output averaged no growth at all in 1958 over the 134 level of 5 years earlier in 1953.

**Durable Goods Decline:** The biggest decline in production during the recession was in the durable goods industries. Output of consumer durable goods fell 27%; steel was down 40%, machinery 21%.

Automobile output fell 47% in 9 months following the 1957 peak. The industry turned out 4.2 million cars in 1958 (the lowest level in a decade) compared with 6.1 million in 1957, with 5.8 million in 1956, and the peak 7.9 million of 1955. The 1958 output was actually a quarter of a million below 1929, and on a per capita basis it was lower than in 12 prewar years 1923-29, 1933-37 and 1940-41.

In steel the operating rate began tapering off in the latter part of 1956 and was down to about 47% of capacity by April, 1958, rising thereafter to a 75% rate by the end of the year. For 1958 as a whole the rate was about 60%, or the lowest average annual rate for any year in two decades. Actual output of around 85 million tons of ingots and castings in 1958 was 25% below 1957 and the lowest annual tonnage since 1949.

**Construction and Housing:** Total expenditures for construction rose to about \$49 billion in 1958, or nearly 2% over 1957, largely as a result of the rise in residential and highway building. Allowing for price increase, the physical volume of new construction remained at about the 1956-57 level.

Government spending on roads, dams, public buildings and other projects, as well as government support to the mortgage market marked the 1958 advance. On the other hand, commercial and industrial construction showed no improvement. This was related to the continued slump in business expenditures for plant and equipment.

After declining to the lowest level in four years in the spring of 1958, expenditures for private housing rose to a new dollar-volume record by the year-end. This reflected in part the increase in construction costs, but also a rise in the number of housing "starts," referred to in Chapter II.

**Capital Spending Slump:** One of the leading forces behind the recession was the falling off in business spending for plant and equipment which had been rising sharply during 1955 and 1956 and up to mid-1957. It then declined through 1958 until it was 22% below the top. Nearly \$37 billion was spent in 1957 but the total was down to about \$30.5 billion for 1958. At the beginning of 1959 the decline had stopped but more and more of the new capital investment was going into machinery and automated equipment calculated to cut down on the number of workers and thereby add to the problem of chronic unemployment in the U.S. (See facts on Unemployment in Chapter II.)

As a result of the previous boom in capital spending, the unused capacity of American industry was estimated at around 20-25%. It was this "excess" which was limiting the recovery movement in 1959 and making improbable the early development of any new expansion of capacity comparable to that of 1955-1956.

**Inventory Shifts:** The 1955-57 investment boom had been marked by a rapid accumulation of inventories until they had reached over

\$91.3 billion at the onset of the recession. (This included stocks in the hands of manufacturers, wholesalers and retailers combined, as estimated by Department of Commerce.) When sales started to slide, the liquidation of these topheavy inventories was rapid and sharp especially in the first five months of 1958. By the end of October they were down to around \$84.9 billion.

Some new accumulation of inventories was starting early in 1959 with the piling up of steel in anticipation of a work stoppage at mid-year. Similar activity was apparent in the copper, rubber, aluminum and other industries, adding temporary stimulus to the production upturn.

**Government Spending:** Rising government spending was one of the chief sources of the recovery in 1958. Federal "defense" ordering was stepped up sharply beginning late in 1957, following an overhauling of military spending programs and the Soviet launching of "sputnik." "National defense" outlays accounted for over 10% of gross national product in 1957. Federal spending on farm and housing programs was increased, partly as a result of special anti-recession legislation. Also, Congress voted the armed forces and civil service a pay increase, adding about \$700 million to purchasing power. Spending by state and local governments rose substantially, notably for highways (helped by Federal money) and for education.

Government purchases of goods and services (less government sales) which had been fairly steady at around \$49.5 billion at the federal level in 1957, rose to an annual rate of \$52.2 billion by the third quarter of 1958 and to a \$54.2 billion rate in the fourth quarter. State and local spending, which totaled \$36.3 billion in 1957, accelerated to a \$39.6 billion rate in 1958, hitting a rate of \$41 billion in the fourth quarter of the year.

**Built-in Stabilizers:** Although the so-called built-in stabilizers had some effect in braking the decline, this was not so great as commonly believed. Prof. V. Lewis Bassie, in *Current Economic Comment* (Feb., 1959), wrote: "It is true that the government made some substantial contributions to recovery in 1958. Purchases of goods and services were stepped up several billion dollars at annual rates, and transfer payments increased by a similar amount. Most of the increase in government purchases was not related to the recession: Military spending increased after the sputniks; farm surpluses were bought as a result of record crop production; pay increases were granted in belated recognition of rising prices and incomes in the private economy; and

state and local programs continued to advance in the pattern of the postwar boom."

Bassie estimated that about half of the increase in transfer payments (mainly unemployment compensation payments) were connected with the recession. He concluded that only a fourth of the 1958 decline was offset by the effects of everything "that properly belongs in the category of automatic stabilizers." Another fourth of the decline was offset by government programs not directly connected with the recession, such as increases in old age pension payments, civil service salary increases and the like.

**Sharp Productivity Rise:** The profit upturn in the later part of 1958 (see below) was due in large part to a sharp rise in productivity. Early in 1959 *Fortune* magazine estimated that productivity, or output per man hour in the U.S. economy, not including government and agriculture, had increased by more than 6.5% since the middle of 1958. This was a sharper spurt than for any period of comparable length in the postwar period.

Over a longer-term period, between 1947 and 1957, a Federal Reserve Board economist had found that the productivity rise for production workers in manufacturing averaged 3.7% a year.

Even the *Wall Street Journal* admitted (Oct. 13, 1958) that the productivity of production workers in manufacturing had risen by 5 or 6% between mid-1957 and mid-1958 which included the recession period. After each of the two preceding postwar recessions, manufacturing productivity rose about 7%. It was expected to continue upward in 1959, perhaps reaching 5% above the 1958 figure.

**Monopoly Price Movements:** Despite the decline in output and the rise in unemployment in 1957-58, the trend in consumer prices was up in almost every month of the two years, except during the latter half of 1958 when it was temporarily held steady by a seasonal decline in food prices. The consumer price index of the Bureau of Labor Statistics rose nearly 5% between January, 1957 and January, 1959, when it was 108% above its pre-World War II level of 1939. And even since the postwar period 1947-49 the purchasing power of the consumer's dollar had been cut by nearly 20 cents.

High prices helped to bolster corporate profits during the upturn, while draining off workers' purchasing power. They tended especially in 1958 to limit consumer demand for durable items such as automobiles and thus hindered the recovery process.

The increased burden of military spending was a factor in pushing

up prices even in the face of declines in production and employment. The upward pressure on prices was accentuated by the increased power of the monopolies with their ability to "administer" prices regardless of market demand.

Expert testimony before congressional committees showed that prices were most rigid, or tended to rise even during a recession, in the most concentrated industries, either those with a few concerns or where industries were dominated by a very few companies.

In steel and automobiles prices rose in this period despite extremely slack demand. And economic advisers of the Federal Reserve Board noted that these price rises tended to choke off demand because they were raised too high in 1957 and were not adjusted downward to stimulate buying during the recession. Sen. Joseph C. O'Mahoney expressed the view of labor and progressives when he said, "The nub of the inflation problem can be found in the concentration of economic power in this country."

Prices of many industrial goods are no longer competitive and are administered by top executives of major corporations for the sole purpose of producing maximum profit returns on investment. Hence the tendency for the wholesale prices of industrial goods to push up the general price level and the cost of living even in periods of business depression.

## CORPORATE PROFITS FALL AND RISE

Government estimates of total profits of all corporations, both before and after taxes, show a decline in both 1957 and 1958. But dividend payments to stockholders were well maintained, actually rising by \$400 million in 1957 over 1956 and dropping only \$100 million in 1958.

The following revised Department of Commerce estimates supplement those given in previous *Labor Fact Books*. They cover the pre-war year 1939, the war year 1945 and 10 later years beginning with 1949.

The low point in profits for the recession was reached in the first half of 1958 when before-tax profits (seasonably adjusted annual rate) declined to a little under \$32 billion. By the fourth quarter of 1958 it was back to around \$44 billion. Profits, after taxes, rose in the same period from an annual rate of around \$15.6 billion to \$22.4 billion. But the total for the year 1958 as a whole was only \$36.7

Year	Corporate profit before taxes	Corporate profit after taxes	Dividend payments	Undistributed profit
(billions of dollars)				
1939	6.4	5.0	3.8	1.2
1945	19.0	8.3	4.7	3.6
1949	26.4	16.0	7.5	8.5
1950	40.6	22.8	9.2	13.6
1951	42.2	19.7	9.0	10.7
1952	36.7	17.2	9.0	8.3
1953	38.3	18.1	9.2	8.9
1954	34.1	16.8	9.8	7.0
1955	44.9	23.0	11.2	11.8
1956	45.5	23.1	12.0	11.0
1957	43.4	21.8	12.4	9.4
1958	36.7	18.0	12.3	5.7

billion, before taxes, a little under the level of 1952, while after-tax profits were estimated at \$18.0 billion or nearly up to the level of 1953.

For leading corporations the rate of decline was less than the average for all corporations. The National City Bank survey of aggregate profits of major companies showed that its entire list of 3,574 declined by about 10% between 1957 and 1958. But there were several groups which registered a gain in 1958 over the previous year, 814 companies in the finance field showing a rise of 14%. Among specific groups that reported a rise over 1957 were food products, beverages, wood products, air transport, telephone and telegraph, cement, farm implements, drugs and medicines, food chain stores, tobacco products, electric power and gas, real estate concerns, commercial banks, restaurants and hotels, and investment trusts.

The profit come-back from the recession low showed up in the reports of manufacturing companies for the fourth quarter of 1958, with a rise of 33% over the previous quarter, and 13% over the final quarter of 1957. This sharp upturn in the latter part of 1958 was attributed to the great gains in productivity since the early spring of 1958. This continued into 1959 and was noted by J. R. Slevin, national economics writer of the N. Y. *Herald Tribune* (Feb. 27, 1959) when he wrote: "Corporate profits are booming at a time when unemployed factory workers are finding it difficult to get jobs. . . . The technical explanation is that productivity is rising sharply." And the corporations, as a result, "are reaping the payoff on billions of dollars they have . . . invested in new plant and equipment."

## ANOTHER COLD WAR BUDGET

Never in peacetime has the U.S. government spent so much for war as in recent years. Since the Korean intervention the percentage of the federal budget going for war has not substantially declined. The cold war is fed by expenditures for the military departments, atomic energy development (A-H bombs), stockpiling of strategic materials, foreign military assistance, international affairs and civil defense. At the same time interest on the war debt mounts.

The federal budget for fiscal year to June 30, 1959, called for \$62.6 billion for war (past, present and future) out of a total of \$80.9 billion, a record for peace time. The proposed nearly "balanced" budget for fiscal year beginning July 1, 1959, as presented by President Eisenhower in January, 1959, was regarded as "unrealistic" and was being revised upward by Congress. It called for expenditures totaling \$77 billion, including \$61.1 billion for war (past, present and future) or 79.3%.

Expenditures for labor and housing continued to be small, with the increase for housing in 1959 eliminated for 1960. Since 1951, agriculture has received more attention in the budget, but for 1960 the economy axe cut this item from \$6.8 to \$6 billion.

Despite reductions in civilian spending, the National Association of Manufacturers wanted the budget slashed by another \$3 billion in the field of welfare, education, housing, agriculture and public works.

The following table shows actual amounts spent in 1951 (before

FISCAL YEARS ENDED JUNE 30  
(in billions)

	1951	1954	1955	1959 <sup>b</sup>	1960 <sup>b</sup>
War-military and economic preparations	\$26.2	\$48.6	\$42.8	\$49.8	\$47.9 (62.2)
War veterans	5.3	4.3	4.5	5.2	5.1 ( 6.6)
War debt interest	5.7	6.5	6.4	7.6	8.1 (10.5)
War Total	37.2	59.4	53.7	62.6	61.1 (79.3)
Labor	0.3	0.3	0.3	0.8	0.4 ( 0.5)
Housing	0.6	—0.5 <sup>a</sup>	0.2	1.1	0.2 ( 0.3)
Agriculture	0.7	2.6	4.4	6.8	6.0 ( 7.8)
All other purposes	5.3	6.0	6.0	9.6	9.3 (12.1)
Total	\$44.1	\$67.8	\$64.6	\$80.9	\$77.0 (100.0)

<sup>a</sup> Represents excess of repayments over expenditures. <sup>b</sup> Estimates from President's budget message, January 19, 1959.

the peak of the Korean war), in 1954 and 1955 (postwar) with estimates for 1959 and 1960. Percentages for the 1960 amounts are shown in parentheses.

The Administration made much of the fact that the deficit of \$12.9 billion for 1959 was to be followed by a \$100 million surplus for 1960. But this was called by many a mere paper surplus. Congressional tax experts estimated in March, 1959 that receipts would be \$1.3 billion below the President's January figure. At the same time Congress was planning \$3.8 billion instead of \$3.3 billion for missile production and many other increases in expenditures both for military and civilian purposes. The Democratic Advisory Council said the President's "budget comes close to being a fraud on the American people," implying that the Administration does not expect to live within the estimates it offers. And Democratic Party leaders wanted more for the Pentagon to spend, despite revelations of vast waste and extravagance in "defense" spending in recent years. *Business Week*, March 14, 1959, concluded: "If Congress took the advice of the 'defense experts,' spending would go up by about \$5 billion."

As a result of additional spending and lower revenues the budget total for fiscal 1960 was expected to show a deficit of at least \$2 billion instead of the \$100 million surplus estimated in the President's budget message.

## FEDERAL TAXATION

Individual income taxes continue to be the largest source of revenue for the U.S. government, having multiplied by ten from pre-World War II (\$1.8 billion in 1941 to \$18.1 billion in 1950). The following table shows \$21.6 billion in 1951 with \$40.7 billion estimated for 1960. (All years are fiscal years, the 1960 fiscal year, for example, ending June 30, 1960.)

In the 1959 and 1960 federal budgets, for the first time, individual income taxes provide more than half the total revenue, 54% and 53% respectively. In contrast, corporation income taxes decline in significance. At \$21.1 billion in 1954 they were 33% of the total, but for 1960, at \$21.4 billion, they will constitute only 28%.

In 1958 there were revisions in the tax law giving certain tax-saving advantages to what are described as small business corporations. For instance, corporations with no more than ten stockholders may elect

TYPES OF TAXES IN FISCAL YEARS ENDED JUNE 30  
(millions of dollars)

<i>Kind of tax</i>	<i>1951</i>	<i>1954</i>	<i>1955</i>	<i>1959<sup>a</sup></i>	<i>1960<sup>a</sup></i>
Individual income	\$21,643	\$29,542	\$28,747	\$36,900	\$40,700
Corporation income	14,106	21,101	17,861	17,000	21,448
Excise	8,648	9,945	9,131	8,467	8,945
Employment	234	283	579	328	340
Estate and gift	708	934	924	1,365	1,415
Customs	609	542	585	840	900
Miscellaneous	1,620	2,309	2,562	3,100	3,352
Total	\$47,568	\$64,655	\$60,390	\$68,000	\$77,100

<sup>a</sup> Estimates from President's budget message, January 19, 1959.

not to be subject to the corporation income tax, but to have their income tax levied on stockholders, thus avoiding so-called double taxation. Such benefits obviously do not affect very small businesses that are not incorporated, but do apply to many corporations that are not small.

No general revision of the tax law to relieve taxpayers in the lower brackets was proposed by either party. Increased gasoline taxes and postal rates proposed by the President were flatly opposed by the Democrats. The Administration looked forward to lower taxes "helping business and big taxpayers." (*Business Week*, Feb. 7, 1959.)

There was no immediate prospect of closing the many loopholes in the federal tax laws which labor has repeatedly pointed out. The amount of taxes lost to the Treasury through these loophole benefits for wealthy individuals and corporations has been variously estimated from \$7.5 billion to \$16.5 billion a year. (See our booklet *The Burden of Taxes*.) One of the main loopholes is the up-to 27.5% depletion allowance given to the oil, gas, mining and related industries. The Republican-Democratic coalition in Congress opposes any change in this bonanza for the corporations.

## STATE AND LOCAL TAXES

Although most Americans think of the present heavy tax burden as federally-imposed, the taxes levied by states and localities are of growing importance. With cold war spending by the U.S. government again rising, the burden of providing civilian public services has fallen increasingly on state and local governments. And reactionary interests are trying constantly to have more taxes shifted to the states where tax levies are even more inequitable and regressive than at the federal level.

Total revenue collected by the states in the fiscal year ended June 30, 1958 was nearly \$15 billion, a rise of nearly 3% over the previous year. And plans for higher tax rates and extension of new taxes to more states, were being drawn up for the following year. Local tax collections, which come mostly from taxes on property, have about equalled those of the states in recent years—in 1957 about \$14.5 billion.

The 1957-1958 recession slowed the rise in the incomes of the states and at the same time increased their expenses. Lagging consumer buying cut into collections from sales and excise taxes. At the same time the economic slump spurred state spending on welfare programs, construction and other programs designed to ease the impact of high unemployment.

An AFL-CIO handbook, *State and Local Taxes*, says that these tax collections "are not only substantial and rising; they are supporting about two-thirds of the total cost of all public expenditures devoted solely to civilian purposes—education and social welfare, regulation and police protection, economic and resource development and all other public services provided by government."

**Sales Tax Burden:** Sales taxes are the most unfair of all taxes because they hit hardest the families least able to carry them. Yet state sales taxes in 1958 yielded nearly \$9 billion, or more than 58% of total tax collections. In 17 states, sales taxes provided 70% of all tax revenues.

The "general" sales tax of the states applies to all commodities sold, and sometimes also to services such as restaurant meals, hotel rooms and amusements. In 1958 a general sales tax was collected in 33 states and in 24 of these food and drugs were included.

"Selective" sales taxes (sometimes called excises) are levied on specific items such as tobacco and gasoline. All states have this kind of tax and altogether such taxes accounted for nearly 35% of all state revenues in 1958. The general sales tax and, in a few states, the gross receipts tax accounted for the remainder.

**Other Taxes:** A compilation of the various forms of state taxes in 1957 showed that in 12 leading states general sales taxes (including a few with a gross receipts tax) accounted for 23.2% of total tax collection; motor fuel sales for 19.5%; motor vehicle licenses for 8.9%; and income (individual and corporation) for 17.6%. Minor amounts—from 2% to 3%—came from specific sales taxes such as on tobacco, liquor and utility sales.

By 1958 about two-thirds of all the states had some kind of income tax. However, 17 of them had no income tax on individual incomes and 13 had neither a tax on individual or corporate income.

In states such as Pennsylvania the municipalities may levy an income tax on payrolls but are prevented from taxing income from investment, corporation profits, or using progressive rates on income taxes. In many states the exemptions and allowances for dependents are so low that families with low incomes are penalized while a combination of low and flat rates, or ones that are only slightly graduated, keep the cost to the well-off down to a minimum. In 1959 New York, under Governor Rockefeller, carried the income tax to the lowest income groups, reducing exemptions to \$600.

Labor contends that most state and local taxes violate the principle of ability to pay. Regressive taxes, such as those on sales and payrolls and the various business taxes which can be passed on so easily to the consumer, all put the heaviest burden on families least able to pay.

The AFL-CIO tax program calls for reforms in both the state and local tax system. Locally it would improve the local property tax, oppose local sales and payroll taxes, and provide for an increase in state-collected locally shared taxes. On the state level it would improve existing income taxes, reduce the sales tax impact and place a larger share of the tax burden on the profits of business.

## II. LABOR AND SOCIAL CONDITIONS

### DISTRIBUTION OF INCOME

Nearly 12 million consumer "spending units," or about a fifth (21%) of all those in the United States, received less than \$2,000 in total income, before taxes, in 1957, the Federal Reserve Board reported in its 1958 Survey of Consumer Finances, presented in *Federal Reserve Bulletin* (Sept., 1958). Yet \$2,000 is still considered the minimum subsistence line below which a family cannot fall without damage to its health and welfare.

A "spending unit" as defined in these annual FRB surveys made in cooperation with the Survey Research Center of the University of Michigan, consists of all related persons living together who pool their incomes. Husband and wife and children under 18 living at home are always considered to be members of the same spending unit.

About 28.5 million, or half of all the consumer spending units, had money incomes of less than \$4,350, the median income in 1957. Percentages showing the distribution of money income before taxes among the 56.9 million consumer spending units in 1957 may be grouped cumulatively as follows:

4,550,000 ( 8% )	received less than	\$1,000
11,950,000 (21%)	" "	2,000
18,208,000 (32%)	" "	3,000
25,605,000 (45%)	" "	4,000
32,433,000 (57%)	" "	5,000
46,658,000 (82%)	" "	7,500
10,242,000 (18%)	received \$7,500 and over	
4,552,000 ( 8% )	" \$10,000 and over	
1,138,000 ( 2% )	" \$15,000 and over*	

\* Not reported for 1957. Estimated on basis of earlier surveys.

As these figures indicate, about one-third of all families (spending units) had incomes of less than \$3,000 in 1957. On the basis of this FRB survey it is estimated that about two-thirds (66%), or some 37.5

million of all the consumer spending units in 1957, could not meet the modest living standard of the Heller Committee's family budget. That budget for a wage-earner's family in 1957 called for an annual income of at least \$5,830. (See below.)

The highest tenth of these consumer spending units received 29% of the total money income before taxes, while the lowest tenth received only 1% of the total. The upper half of the consumer units received more than three-fourths (78%) of the total money income while the lower half received only 22% of the total.

**Savings for the Few:** The FRB survey shows also each year the extent of savings in the form of liquid assets that are held by the income groups. More than a quarter (26%) of the spending units in early 1959 had no liquid assets of any kind—no U.S. savings bonds, savings account, or checking account.

Less than half of all the units had as much as \$500 or more in liquid assets while only about one-tenth reported \$5,000 or more. At the top was a little group representing only 4% of all the units, each having \$10,000 or more in liquid assets.

"Since liquid assets are accumulated to a large extent out of income," the FRB survey points out, "it is not surprising that holdings are most common at higher income levels. Holdings of substantial size were most numerous in the highest income quintile [fifth]."

**Census Bureau on Family Income:** Of the nation's 43.7 million families, as distinct from "spending units" defined above, some 6.5 million, or about 15% (one in every seven), had incomes under \$2,000 in 1957, the Bureau of the Census reported. (*Consumer Income*, Dec. 1958.) About 22.7 million individuals are included in these low-income families. And at least 10.7 million families were receiving less than \$3,000 a year, with a total of about 37.5 million individuals in these families. At the bottom were about 2.8 million, or more than 6% of all families in 1957, receiving less than \$1,000, while 3%, or about 1.3 million families, had less than \$500 in that year. At the other end of the scale were about 812,000 families, or nearly 2% of all, each having incomes in 1957 of \$15,000 or more. About 4 million, or one-tenth of the nation's families, the Census reported, received incomes of \$10,000 or more and an additional 18 million (two-fifths) had incomes ranging between \$5,000 and \$10,000. At the very top of the income groups was a small percentage (0.5%), or about 218,600 families, who each had \$25,000 or more.

The median family income in 1957 was \$4,971, indicating that about

21.8 million families in that year had less than that amount. Family incomes in 1957 averaged about 4% more than in 1956, but the Census Bureau pointed out: "However, this \$200 gain in money income probably represented no significant change in purchasing power for the average family, since prices also rose substantially during this period." The consumer price index rose by nearly 4% during the year.

**Negro Incomes Lower:** For the country as a whole, the Census Bureau reported, half of all Negro families in 1957 had less than \$2,764 income. This median (\$2,764) for Negro families was a little more than half (about 53%) of the \$5,166 median for white families.

In rural farm areas, the differential was much greater. Half of all Negro farm families had less than \$919 (the median) or less than one-third of the \$2,833 which was the median for white farm families.

In the South, half of all the Negro families in 1957 had less than \$2,022. This median was less than half (about 46%) of the median of \$4,373 for southern white families.

## REAL WAGES AND WAGE DIFFERENTIALS

Average weekly earnings of production workers in manufacturing industries are reported monthly by the U.S. Bureau of Labor Statistics. It gives first the gross average weekly earnings of these workers in current dollars. Then it gives them in 1947-49 dollars which allow for changes in consumer prices and therefore reflect "real earnings." These "real wage" figures also are computed to show what two classes of workers would actually take home after federal income and social security taxes are deducted from the pay envelope. The two examples given are a worker with no dependents and one with three dependents. The amount of tax liability, of course, varies with the number of dependents supported by the worker.

Latest figures on net spendable average weekly earnings reflect the steady rise in living costs since the beginning of 1957. They show that there was not only no gain but a considerable loss in net spendable average weekly earnings of factory workers. Gross average weekly earnings in current dollars rose from an average of \$82.41 in January, 1957 to \$85.17 in October, 1958. But when given in stable 1947-49 dollars, the real earnings of factory workers showed a decline of nearly \$1 a week. And there was also a decline in the actual take-home pay of these workers after their pay-roll deductions as shown below. All averages are expressed in 1947-49 dollars.

Period	Gross average weekly earnings	Net spendable average weekly earnings	
		Worker with no dependents	Worker with 3 dependents
Jan. 1957	\$69.72	\$57.17	\$63.44
Year 1957	68.64	56.21	62.37
Oct. 1958	68.85	56.43	62.45
Year 1958	67.78	55.57	61.58

Despite some raises of a few cents an hour won by unions in 1957-58, as noted below, the gross average weekly earnings of factory workers, in terms of 1947-49 dollars, dropped from \$69.72 in January, 1957, to \$68.85 by October, 1958. For the worker with no dependents, take-home pay in terms of net spendable average weekly earnings declined from \$57.17 in January, 1957, to \$56.43 in October, 1958. For the worker with 3 dependents the average take-home pay dropped from \$63.44 in January, 1957, to \$62.45 in October, 1958. For the year 1958 as a whole, the factory worker's real pay averaged nearly \$1 a week less than in 1957 and nearly \$1.50 a week less than in 1956.

**Substandard Wages:** Textile workers in many areas have been so seriously affected by unemployment and part-time work (See section on *Some Effects of the Recession*) that their earnings have averaged far below the national average in manufacturing industries. At hearings before the Senate subcommittee to study the textile industry in July, 1958, Solomon Barkin, research director of the Textile Workers Union, showed that there was an increasing gap between average hourly wages in all manufacturing and the average in the textile industry.

In October, 1958, textile workers averaged \$1.52 an hour, the Bureau of Labor Statistics reported, while workers in all manufacturing averaged \$2.14. This was a differential of 62c, or nearly 30%. Back in 1947, the union testified, the gap between factory workers' and textile workers' average hourly wages was only 16%.

In some textile towns, runaway plants and the recession have combined to leave the workers' wages far below the average in other industries. In Fall River, Mass., for example, weekly earnings in October, 1958, averaged only \$58.72; in New Bedford, only \$60.59; in Manchester, N. H., another textile center, only \$60.26. In all manufacturing in the country as a whole, weekly earnings at that time averaged \$84.96, so there was a gap of 29% to 30%.

A survey of comparatively low wage industries in 1957 and 1958

revealed the effects of the increase in the minimum wage from 75c to \$1 under the Fair Labor Standards Act for workers producing goods in interstate commerce. The Department of Labor reported in September, 1958, that from 41% to 82% of the production or non-supervisory workers in eight industries had earned less than \$1 an hour before March 1, 1956, when the new minimum became effective. About 2 million workers were favorably affected by the change.

After conforming to the \$1-an-hour minimum, these industries still remained among those paying the lowest average wages. In all manufacturing in the U.S., hourly earnings averaged \$2.14 in October, 1958, but in the eight industries noted above, average hourly earnings were from 17% to 45% below the national average: work shirts, \$1.16; sawmills, South, \$1.24; men's and boys' shirts, \$1.29; seamless hosiery, South \$1.36; wooden containers, \$1.46; processed waste, \$1.51; footwear, \$1.53; fertilizers, \$1.77.

In such non-manufacturing industries as retail trade and services, generally not covered by the Fair Labor Standards Act, average hourly earnings are considerably below the national average in manufacturing. Thus in October, 1958, when factory workers averaged \$2.14 in hourly earnings, production or non-supervisory workers in retail trade averaged only \$1.71 an hour. Those in general merchandise stores averaged only \$1.35 and laundry workers only \$1.14. Workers in some New York City hospitals in 1958 were earning only 85c to 95c an hour, and some as little as \$30 a week for full-time jobs.

**Higher Minimum Sought:** Union efforts to raise the minimum under the Fair Labor Standards Act from \$1 to \$1.25 an hour continued through 1957 and 1958. Even a manufacturer advocated such a raise to benefit his own company. Pres. J. Spencer Love of the Burlington Industries on December 2, 1958, called for an increase in the federal minimum from \$1 to \$1.25 an hour as "the only equitable and constructive" means of providing a general wage increase in his industry. Competitive conditions were such, he said, that no one company could afford to give a wage increase, but a federal minimum raise would affect the entire industry.

In its legislative program for the 86th Congress, the AFL-CIO called for "extension of coverage of the Fair Labor Standards Act and an increase in the *minimum wage* to at least \$1.25 an hour." (Emphasis in original). It seeks to extend the FLSA to about 10 million persons not now covered, including workers in retail trade, service industries and agriculture.

**In "Right-to-Work" States:** "The nation's lowest weekly earnings were in such 'right-to-work' states as Mississippi, Arkansas and South Carolina," the AFL-CIO pointed out in its 1958 booklet, *Union Security*. In 16 of the 18 states having such anti-union laws in 1957 (the number rose to 19 in 1958; see Chapt. IV), average weekly earnings ranged from 7% to 30% below the U.S. average of \$84.20. But in three western states without "right-to-work" laws, average weekly earnings were higher than the national average: in California, \$93.39; Oregon, \$84.47; Washington, \$86.98. In two of these western states, California and Washington, the increases in weekly earnings in the 10-year period, 1947-1957, were greater than the increase in the national average.

In October, 1958, weekly earnings of production workers in manufacturing averaged \$85.17 in the country as a whole. But in most of the "right-to-work" states, averages were much lower. In Little Rock, Ark., where the struggle to integrate schools continued, weekly earnings of factory workers were among the lowest in the entire country, averaging only \$61.69. Only North Carolina (\$58.87) and South Carolina (\$58.44) showed lower weekly averages.

## WAGE PROGRESS IN UNION CONTRACTS

During the early part of 1957, before the business recession began, unions won increases that were generally larger than those of 1956. Most raises were for 10¢ or more an hour, while more than a third brought 13¢ or more. About 15% of the settlements were for 5¢ or 6¢ an hour. Many of the increases gained, however, were simply to make up in part for the rise in prices registered by the Bureau of Labor Statistics' consumer price index. Rising prices during the year brought pay increases to more than 4 million workers whose wages were subject to an "escalator" adjustment under which wages are increased or decreased automatically in accordance with specified changes in the cost of living as measured by the BLS index.

Altogether more than 5 million workers received wage rises because of the cost-of-living adjustment and/or the deferred increases negotiated in earlier years. This official estimate covered manufacturing, mining, transportation, utilities, trade and construction.

During the latter part of 1957, most wage increases provided for 10¢ or more an hour. Among major wage developments was the agreement signed in late October and November by the Communications

Workers of America, covering over 150,000 employees of the Bell Telephone System, and providing increases of \$2 to \$5 a week.

**In 1958:** A majority of the unions that were engaged in collective bargaining in 1958 won wage increases, while about 7% of those involved had to accept new contracts that provided no wage raise.

Increases in wage rates were negotiated or put into effect in 1958 for about 85% of employees covered by major collective bargaining contracts, the BLS reported. In all, these bargaining situations affected about 6.8 million workers. Of this total, 3.5 million won increases as a result of settlements concluded during the year. Rate increases were supplemented by cost-of-living adjustments in a number of cases. About 3.3 million workers received increases under deferred raises and for cost-of-living adjustments negotiated in earlier years but effective in 1958.

Raises most often averaged 12¢ an hour, with 6 out of 10 workers receiving at least that amount. In actual rate increases, the most common average raise negotiated during 1958 was 8¢ an hour.

These BLS reports on wage developments cover collective bargaining situations affecting 1,000 or more workers in all industries except construction, services, finance and government. They do not therefore include wage increases in those 4 industries nor in smaller groups, affecting fewer than 1,000 workers.

**Auto Workers Settlement:** Some 750,000 of the Auto Workers, employed by the Big Three auto companies, gained wage increases in contracts signed with Ford (Sept. 17, 1958), with Chrysler (Oct. 1) and with General Motors (Oct. 2). In 3-year agreements the union received annual raises averaging about 7¢ an hour, on the basis of 6¢ an hour or 2½% of the basic hourly rate, whichever is greater, payable July 1, 1958, August 1, 1959, and September 1, 1960. It also gained a cost-of-living allowance of 3¢ an hour, based on the rise in the consumer price index.

Workers in all skilled classifications in tool and die, maintenance, construction and powerhouse groups had asked for 35¢ more an hour but won only 8¢. President Reuther had sought "the biggest raise in auto history" and a 2-year contract but in the end accepted longer-term agreements and the annual increase of 2½% as in the old contract. This is called the "improvement factor" based on the normal rise of productivity or improved efficiency in the plants. (For other wage gains, see section on strikes in 1957-58.)

**Economic Effect of Wage Increases:** In its *Economic Trends*

(Nov., 1958), the AFL-CIO estimated that during the recession period, August, 1957 to April, 1958, these wage and salary increases won by the workers through their collective bargaining, "offset roughly about one-half of the decline in total wage and salary income that would have otherwise resulted from unemployment and short work weeks." The labor periodical quotes Prof. Sumner Slichter of Harvard, as reported in the *Commercial & Financial Chronicle* (July 31, 1958): "By far the most important cause of the steadiness of personal income . . . is the rise in the hourly earnings of wage and salary workers. . . . Had hourly earnings of wage and salary workers remained unchanged between August, 1957, and June 1958, wage and salary payments would have dropped by \$15.6 billion a year instead of \$5.5 billion. Thus the rise in hourly earnings between August and June was adding by June about \$10.1 billion a year to wage and salary income."

## FAMILY BUDGET STANDARDS

Several different family budgets have been priced recently in an effort to answer the question: How much must a worker earn in order to support a family by the so-called American standards. These budget figures often serve as a guide in trade union negotiations.

**City Worker's Family Budget:** The U.S. Department of Labor in October, 1951, calculated the costs of a "modest but adequate" standard of living for a family of four—a man, wife, and two children of school age—in 34 major cities. The AFL-CIO (in its *Collective Bargaining Report*, June, 1958) adjusted the 1951 figures as of April, 1958, for 20 cities and for an all-city figure, to take account of the increases in prices and in federal taxes in the 7-year period. The all-city average was \$4,656 for the year, or about \$90 a week. The range was from \$4,288 for Scranton, Pa. to \$4,998 for San Francisco. The New York City figure was \$4,543.

This budget shows what is called the minimum necessary for a modest American standard of living. It has been widely criticized as far from adequate. The labor federation comments that it is "modest indeed." The food allowance is so small that it provides less than 2 quarts of milk a day for the 4-person family and less than 1 egg a day for each person. It does not provide for the cost of a telephone but allows an average of 3 calls a week. Only once in three or four years is the family supposed to take a vacation away from home or to make a trip out of town to see relatives and friends. The budget calls for one

life insurance policy on which the premium to be paid is \$85 a year. No other savings are provided for in this minimum budget.

Modest as this budget is, it is a standard beyond the reach of millions of heads of families whose wages fall below the required average of \$90 a week. At the time the budget was priced, in April, 1958, factory workers in all manufacturing averaged \$81 a week, or \$9 below the budget standard.

In presenting the latest estimates, the AFL-CIO notes that, "Contrary to popular impression, there is no significant differential between Southern cities and those in other regions of the country. It costs as much to enjoy a comparable standard of living in Southern cities as in other cities."

**Heller Budgets:** The Heller Committee for Research in Social Economics at the University of California has priced each year for many years its budget to provide "a commonly accepted" standard of living for a wage-earner's family of four, including man, wife, boy of 13 and girl of 8. This budget, although it is priced only for the San Francisco Bay area, has been widely recognized as a standard budget in the country as a whole. Often used by unions in collective bargaining, it provides about 15% more in goods and services than the City Worker's Family Budget.

By September, 1958, rising prices had brought the Heller budget up to \$6,087 a year or an average of about \$117 a week, for a home-renter's family. This still represented a modest standard "necessary to health and reasonably comfortable living."

For the wage-earner who owns his home, the 1958 budget requires \$6,435, or roughly \$123 a week. These higher costs for the home owner result from real estate taxes, expenses for house maintenance and utilities, and other items.

For the home renter's family, the 1957 budget allows only \$63 a month for rent of a 4-to-5 room dwelling. The only savings allowed for are in the form of personal insurance, including premiums of \$119 a year, or a little over \$2 a week, on one life insurance policy; social security payments of \$94.50 a year (\$1.82 a week); and \$30 a year for the California disability insurance.

At the time this Heller budget was priced in September, 1958, earnings of workers in manufacturing averaged about \$85 a week or at the rate of about \$4,420 a year. So the average earnings fell below the Heller budget standard by about \$38 a week or about \$1,970 a year.

For a salaried junior professional or executive worker, the Heller

Committee prices still another family budget, representing a considerably higher living standard. Annual cost of this salaried worker's budget (as of September, 1958) came to \$9,202, or about \$177 a week.

**N. Y. Community Council Budget:** Still another budget for a family of four was priced as of October, 1957, by the Budget Standard Service, sponsored by the Community Council of Greater New York. It takes the level of living represented by the City Worker's Family Budget and incorporates in it new information on family living requirements.

This budget contains "a representative list of annual purchases sufficient to maintain current standards of adequate consumption at low cost." Even this budget for an inadequate standard of living, as priced in 1958, required \$86 a week in New York City, or about \$4,470 a year.

### FRINGE BENEFITS

In collective bargaining in the last 2 years unions have been able to win more "fringe benefits" including improved health and life insurance plans, higher pensions, more paid holidays, severance pay, and better vacation provisions. In 1958, gains in insurance plans were won in about a third (33%) of settlements; pension benefits in 14%; severance pay in 3%; and supplementary unemployment benefits in nearly 1%.

In a special study of health and welfare programs under collective bargaining, the U.S. Bureau of Labor Statistics analyzed 300 plans, each covering 1,000 or more and together involving a total of 4,981,000 workers. Almost a third of these plans provided all of the 6 basic types of health and welfare: life insurance, accidental death and dismemberment, weekly sick benefits, hospitalization, surgical and medical benefits.

In another 1958 study of 100 such health and insurance plans in major industries the BLS found that in more than half the plans life insurance had been increased in the past 4 years. The most frequent increase was between \$500 and \$1,500. In nearly half of the plans studied, life insurance under these plans amounted to \$4,000 or more, while about a third provided from \$2,000 to \$4,000. Under 8 plans, life insurance provisions had been extended to retired workers.

Almost all of the plans provide hospitalization benefits for active workers and their dependents, in a semi-private room or ward bed. The usual allowance is \$10 a day, but many plans specify \$12 a day and nearly a third provide \$14 or more. In 19 plans, hospital benefits were

extended to retired workers. About 90% of the plans provide maternity benefits for women workers and dependent wives.

**Methods of Financing:** A majority of the health and welfare plans under collective bargaining are now paid for wholly by the employer. In 58 or more than half of the plans covering active workers, and in 47 of the plans covering dependents of active workers, the employer alone finances the program. Employer and worker together finance 34, or more than a third of these plans for active workers and their dependents.

Extension of the health and welfare coverage to dependents of retired workers is one of the significant union gains won in recent years. In 34 plans providing health and insurance benefits for retired workers and in 21 such plans covering their dependents, the employer alone is responsible for the financing. The employer and retired worker together finance about a third of the plans that include benefits for retired workers and their dependents.

## HOURS OF WORK

The recession of 1957-58 brought a reduction in the average number of weekly hours worked in both 1957 and 1958.

In all manufacturing, the average dropped from 40.4 hours a week in 1956 to 39.8 hours in 1957 and 39 in 1958. From the low point in April, 1958, when weekly hours in manufacturing averaged only 38.3 a week, the average rose to 40.2 by the year-end. In mining, average hours dropped from 41 a week in 1956 to 40.4 in 1957 and 39 in 1958 (only 37.4 at the low point in April).

In a study of workweeks, overtime and shift pay in 17 labor markets in the winter of 1957-58, the U.S. Bureau of Labor Statistics found that a majority of the office and plant workers were in scheduled workweeks of 40 hours. It reported that only in the 4 southern areas studied (Atlanta, Baltimore, Memphis and New Orleans) and in Denver, Colo. "were there more than 10% of the workers employed on workweeks of over 40 hours."

**Union Policy and Plans:** Working hours became a more definite issue in trade unions during 1958, especially when some companies sought to require overtime from workers who had jobs. Several thousand automobile workers employed by the Chrysler company in Detroit in November, 1958, were ordered to work overtime while many previously employed were still jobless. At the Dodge plant only 8,000

had been rehired of 22,000 who had worked on the last model. UAW members, both employed and unemployed, picketed Dodge and Chrysler-DeSoto plants in early November in protest against overtime work for some and unemployment for so many.

The UAW in that situation declared that no overtime would be permitted as long as more than half the members were out of work. It reported there was a growing demand for a shorter workweek with no cut in take-home pay, so that more of the jobless could be employed.

In April, 1957, the Auto Workers national convention had voted unanimously to make the shorter workweek, with no reduction in pay, the first demand in collective bargaining. But in 1958 negotiations for 3-year contracts with the Big Three, Pres. Walter Reuther dropped the shorter hours demand on the grounds that the general economic climate was "unfavorable to labor."

As a desirable means of maintaining employment and avoiding technological displacement, many unions in 1957-58 advocated reduction in the workweek to less than 40 hours with no cut in weekly pay. In its 1957 convention the AFL-CIO called for "transforming advancing technology into a force, not for growing unemployment, but for increased leisure through reduction in hours of work with no reduction in take-home pay."

The recession made the need for shorter hours more obvious to larger sections of workers, and the shorter workweek is now a major part of labor's program. Among the unions that in 1958 reaffirmed their intention to seek shorter hours with no loss in pay were the Steelworkers, Rubber Workers, Packinghouse Workers, Electrical Workers (UE) and Longshoremen on the West Coast. In the New York area, some 18,000 longshoremen demonstrating on November 18, 1958, against what they called "automation" on the docks, cheered a demand for the 6-hour day. The *Wall Street Journal* (Oct. 15, 1958) commented that "1959 may be the year in which fairly large groups of unions insist on cutting back significantly in hours worked."

Packinghouse Workers, at their district convention in Chicago in April, 1958, voted for a 30-hour week in place of the present 40 hours. At their 1958 convention in Miami Beach the Rubber Workers called for a 30-hour week throughout the rubber industry, with hourly wage gains large enough to maintain weekly earnings at their 1958 level. This union has had for many years a 36-hour week (6 days a week, 6-hours a day) in all plants at Akron, Ohio, the main rubber center.

Electrical Workers (UE) in their negotiations with General Electric

beginning August 31, 1958, proposed a reduction in hours from 40 to 35 a week, (in 2 instalments, the first year to  $37\frac{1}{2}$  and the second to 35) with no cut in pay. GE members of the union even offered to apply 2 wage increases, due them under their contract, toward the cost of instituting the shorter workweek. But GE "failed to give serious attention" to the proposal, the *UE News* reported (Jan. 19, 1959.)

**35-Hour Week Proposed for FLSA:** At its biennial convention in Atlantic City in May, 1958, the Amalgamated Clothing Workers called for a change in the Fair Labor Standards Act to cut the basic workweek in all industries from its present 40 hours maximum to 35 hours, "as a permanent safeguard against business slumps." At the same time the union called for a rise of 25¢ an hour in the federal minimum wage of \$1 an hour.

The Industrial Union Department of the AFL-CIO at its 2nd constitutional convention in 1957 called for progressive reduction in the maximum number of hours per week under the Fair Labor Standards Act.

In the 85th Congress, Sen. Pat McNamara (D., Mich.) introduced in the Senate a bill calling for amendment of the FLSA to provide a 35-hour week, with overtime to be paid for all hours beyond that, but it died in committee. Again in the 86th Congress, Sen. McNamara introduced a bill to provide for the 35-hour week in 1 year's time. Rep. James Roosevelt (D., Calif.) introduced a bill to reduce hours to 35 a week under the FLSA after 4 years. Similar measures were sponsored by other Congressmen.

## SOCIAL SECURITY DEVELOPMENTS

The 85th Congress passed important amendments to the Social Security Act in a measure signed on August 29, 1958. The legislation not only increases social security benefits but also the federal share of welfare funds administered by the states and local agencies.

Beginning February 3, 1959, the new legislation added 7% to the monthly checks for some 12 million persons who are receiving Old Age and Survivors' Insurance benefits. Of the 12 million, 9.6 million are retired workers and the other 2.4 million are widows, wives, other dependents or completely disabled persons.

The increase raised minimum benefits for individuals from \$30 to \$33 (a 10% rise) and maximum benefits from \$108.50 up to \$116, with corresponding raises on family benefits. For a man and wife, both retired at 65, monthly benefits rise from the minimum of \$45 to

\$49.50 (a 10% rise), ranging up to a maximum of \$174, compared with the former maximum of \$162.80.

In mid-1958, before the increases went into effect the old age benefit for a retired worker averaged only \$65.71 a month, or a little over \$15 a week. The increase of 7% as of February, 1959, brings this average up to about \$70 a month, or a little over \$16 a week. Retired women workers receive smaller old age benefits than men, since their earnings in working years have averaged less than men's. This differential was clearly shown in the Social Security Administration's report for the year 1956 (latest available on this point) when retirement benefits for men workers averaged \$75.76 a month but for women only \$54.33. This was a differential of over \$21 a month.

Payroll taxes paid by some 75 million wage-earners and employers for social security rose on January 1, 1959, by  $\frac{1}{4}$  of 1% to  $2\frac{1}{2}\%$  for each. Payments of self-employed persons rose to  $3\frac{3}{4}\%$ . The tax now applies to the first \$4,800 of wages instead of \$4,200. Eventually the increase at 3-year intervals would reach  $4\frac{1}{2}\%$  each for employer and employees,  $6\frac{3}{4}\%$  for self-employed.

**Coverage Extended:** With the gradual broadening of the Social Security Act, it now includes 9 out of 10 persons gainfully occupied in the U.S. About one-third of those not under social security are covered by other retirement programs, federal, state or local. About 6% of the total labor force are not covered by any public retirement program. These include low-income self-employed persons and agricultural and domestic workers who do not earn as much as \$50 a quarter from one employer, and doctors of medicine. The latter are still excluded because the reactionary American Medical Association opposes social security.

The 1958 amendments brought under social security coverage some seasonal workers and more employees of religious, charitable and other non-profit organizations not previously covered.

Retired workers may now earn up to \$100 a month, with a limit of earnings at \$1,200 a year, without forfeiting any benefit check. No benefit will be lost for any month in which the worker does not earn more than \$100. When the worker reaches 72, he can receive full benefits without regard to the amount earned in the month.

**Numbers on Relief:** Persons receiving aid under the five federal public assistance programs in mid-1958 numbered 6.7 million—some 800,000 more than a year earlier. The number had reached a peak of more than 6.8 million in April, 1958.

Of the total, aid to dependent children covered 2,733,000. Those receiving old-age assistance (distinct from those on old-age and survivors insurance) numbered 2,460,000. The three other assistance programs covered 108,000 blind persons; 313,000 permanently and totally disabled; and 1,164,000 persons (in 418,000 cases) receiving "general assistance."

The number of cases receiving "general assistance" in mid-1958 was 42% larger than in mid-1957, and the total number of persons aided was greater by 71%. Most of the increases occurred in the winter and early spring of 1958 when the economic recession was at its lowest level. Additions to the "general assistance" rolls included large numbers of unemployed persons who had exhausted their rights to unemployment insurance benefits.

As amended in 1958, the Social Security Act provided a new formula that increased federal participation in the public assistance programs. The federal share of payments to the 2,460,000 persons on old-age assistance rolls was increased from 55.7% to 58.5%. The President in January, 1958, had recommended precisely the opposite—a gradual reduction in the federal share to 50% and a gradual increase of state and local share of payments. The 1958 amendments also increased by some \$5 million the ceilings on three children's programs: maternal and child health services, crippled children's services, and child welfare services.

Funds to which the federal government contributes are distributed by local communities but there is no federal program for "general assistance"—the relief to all other categories of the needy. Numbers getting "general assistance" totaled 454,000 cases in April 1958, and by January, 1959, had risen to 466,000, involving 1,362,000 individuals.

**Higher Minimum Proposed:** With the minimum benefit under the Social Security Act still only \$33 a month, many retired workers must still depend on some form of public assistance or welfare to cover even bare subsistence. A bill was introduced in Congress February 2, 1959, by Rep. Paul A. Fino (R., N.Y.) to raise the minimum Social Security payment to \$50 a month. He said: "We ask some of our people to exist—not live—on benefits as little as \$33 per month."

## UNEMPLOYMENT AND UNEMPLOYMENT COMPENSATION

Total unemployment as estimated by the U.S. Bureau of the Census reached a peak of 5.4 million in June, 1958—the highest estimate of full-time jobless since the pre-World War II period in the summer of

1941. The number officially estimated as unemployed had increased from 2,479,000 in December, 1956, to 3.3 million in December, 1957, and continued to rise for the following 3 months, showed a slight drop in April and May, only to increase again to 5.4 million in June. As of mid-December some 4.1 million were still unemployed, and in January, 1959, the number rose to 4.7 million.

As a percentage of the civilian labor force, the Census reported that full-time unemployment rose from 3.8% (seasonally adjusted) in December, 1956, to a high of 7.6% in August, 1958, dropped to 5.9% in November, 1958, rising again to 6% in December, 1958.

**Other Estimates:** The Census Bureau, however, fails to measure many of those who are actually jobless and does not count those who can find only part-time work. The Longshoremen's & Warehousemen's Union (Ind.) in a new study by its research department adjusted the Census figures to include those "who would be working had 1956 conditions of full employment continued, but whom the Census has dropped out of the labor force." It included also the full-time equivalent among those involuntarily working part-time for economic reasons.

With these adjustments, it found that the official peak of 5.4 million in June, 1958, was increased by 1.1 million as the hidden unemployment of those "not in the labor force" and by 1.7 million as the full-time equivalent among those involuntarily working part-time. The resulting adjusted unemployment total was thus 8.2 million in June, 1958—nearly 2.8 million more than the official Census estimate of wholly unemployed, and representing 11.6% of the civilian labor force.

Labor Research Association has estimated from time to time what it calls the "reserve labor group" or the unused labor force. This estimate includes full-time unemployed (census estimate), the number in the armed services and the number engaged in "defense" or "national security" activities. Its latest estimate of this unused labor force showed that in the third quarter of 1958 about 12 million workers, or nearly 18% of the total labor force, were in these three categories. (See our *Economic Notes*, Jan. 1959.)

Recent increases in the productivity of labor mean that some of those now jobless will not be re-employed unless new jobs are created. Ewan Clague, U.S. Commissioner of Labor Statistics, estimated in November, 1958, that to reduce unemployment to previous "prosperity" levels would require the following: "First, the creation of jobs to replace those eliminated by the gain in productivity; second, the rise in jobs to take care of the existing unemployed; and third, the jobs

needed to absorb increases in the labor force of about 700,000 or 800,000 per year."

**Rail Workers Hard Hit:** Unemployment has been the main problem confronting rail workers in the past two years. Jobs on Class I railroads in 1958 averaged only 840,880, nearly 15% less than the 1957 average of 984,780.

In the 13 years between 1946, when 1,359,000 were employed, and December, 1958, rail companies cut down their work force by more than half a million. In the four years since 1954, over 200,000 rail workers have lost their jobs. In 1958 the railroads were handling about the same volume of traffic as in 1954 but with 220,000 fewer employees—a 20.8% reduction in employment. These figures indicate that 79 rail workers are now doing what 100 did in 1954.

Mechanical improvements, many of them related to automation developments, have been mainly responsible for this extraordinary gain in "efficiency," involving such a marked rise in productivity. It is now predicted that productivity in this industry will continue to rise at the rate of about 2.75% a year. Improvements have included diesel locomotives, centralized traffic control, mechanization of maintenance of way, push-button freight yards and similar developments. (See our monthly bulletin, *Railroad Notes*.)

By mid-1958, nearly 150,000 rail workers, many with records of 20 and 30 years' service, had already exhausted all the unemployment insurance benefits to which they were entitled. While some may have been able to get jobs in other industries, the fortunate ones must have been comparatively few, since general unemployment in the U.S. as a whole is still so widespread.

**Unemployment Compensation Inadequate:** A total of about 8 million persons collected unemployment compensation during the year 1958, Secretary of Labor James P. Mitchell reported, January 5, 1959. At the end of 1958, more than a year after the 1957-58 recession began, the state-by-state system of unemployment compensation had been little changed. Even the emergency benefits under the temporary federal aid program (see below) had expired for tens of thousands of workers.

Only six states increased their jobless benefit payments during 1958 and New York was the only industrial state among the six. Weekly benefits in October, 1958, averaged nearly \$3 more than in the like period of 1957, but this was not primarily because of increased benefit provision by the states. Main reason for higher payments, the Department of Labor explained, was that more skilled and higher-paid workers

were unemployed. They had earned more while working so their jobless benefits were larger since in every state unemployment compensation is computed as a proportion of the worker's wages.

Weekly payments for total unemployment in 1958, averaged \$30.57 in the U.S. as a whole. But the average amount in the different states (as of August, 1958) showed wide variations. The lowest averages were in southern states—\$20.90 in North Carolina and \$21.50 in Mississippi. Highest averages were \$37.14 in Nevada (where the Mine-Mill Union is strong); \$36.65 in Michigan (where the Auto Workers campaign for improved legislation); \$34.61 in Connecticut; \$34.55 in New York and \$34.78 in Delaware. In 1958 New York raised its maximum jobless compensation from \$36 to \$45.

A few states have higher maximum benefits when dependents' allowances are included: Connecticut up to \$60; Nevada up to \$57.50; Michigan to \$55; Wyoming \$49; and Illinois \$45.

Most of the states provide for unemployment compensation amounting to only one-third or less of the worker's previous wages. Only one state, Ohio, provides for jobless benefits at one-half the worker's previous wages. Not a single state pays benefits equal to two-thirds of average wages—the original standard advocated when unemployment insurance was first introduced.

**Emergency Program:** There are still 18 states in which an unemployed worker cannot collect benefits for even as long as 26 weeks. These are mostly the southern and agricultural states. More than a fifth (about 22%) of all insured workers live in these 18 states. By mid-June, 1958, so many jobless workers had already exhausted all the unemployment benefits to which they were legally entitled that Congress passed an emergency federal aid bill under which the U.S. Treasury would lend funds to the states up to \$665.7 million. This was to finance extended unemployment payments for workers who had exhausted their regular benefits. Regular unemployment compensation payments are financed out of payroll taxes levied on employers by the states. The new program was optional with the states which could accept a federal loan or not, but any federal advances were to be repaid within 4 years. In all, 17 states accepted the loans and 5 states amended their own laws to pay temporary additional benefits. By the end of 1958, almost 1,500,000 jobless workers had received extra benefits under these federal-state temporary unemployment compensation programs. During 1958, a total of 2,600,000 workers drew all the payments to which they were entitled under regular state programs.

When the emergency program of federal aid to the unemployed expired March 31, 1959, it was extended only for 3 months. Auto workers demanded in January, 1959, that Michigan extend jobless compensation for the entire time of unemployment. "Workers in the auto districts have been jobless so long," said the *N. Y. Times* (Jan. 25, 1959) "that only one-third of those now out of work are eligible to apply for unemployment insurance."

**Armed Forces Covered:** The only permanent improvement in unemployment insurance made by the 85th Congress was the establishment of a new benefits program for veterans of the armed forces with peacetime military service. An estimated 2.8 million members of the Army, Navy, Marine Corps, and Coast Guard were thus brought under unemployment insurance protection. Inclusion of these 2.8 million servicemen increases the total coverage of the federal-state unemployment compensation system to more than 45 million persons.

**Many Not Yet Included:** Some 2 million of the workers who were jobless in mid-1958 were not covered by the basic state employment compensation systems and thus became dependent on public assistance or some form of "dole." These included many who had been working for small concerns with fewer than 4 workers, some employees of voluntary institutions, many migrants, farm laborers and domestic workers.

Labor and progressive groups have long pressed for expansion of unemployment insurance to cover all those still excluded. The federal standard recommended to the states still limits coverage to persons who work in establishments having 4 or more employees. The U.S. Department of Labor urges changing this 4-or-more to 1-or-more. About half of the state programs have already brought in smaller concerns with fewer than 4 employees. In 17 states concerns employing 1 worker or more now come under the unemployment insurance law. New York includes any firm employing 2 or more at any time. But those who work for a concern employing only one are still excluded in this state and in 30 other states.

Other restrictions in state laws in effect exclude many workers. In New York State, for example, a jobless insurance claimant must have worked in at least 20 of the last 52 weeks or in 15 of the last 52 and 40 of the last 104 weeks. This restriction excludes many workers in seasonal industries.

To raise the standards of unemployment compensation a bill was introduced in the 85th Congress by Sen. John F. Kennedy (D., Mass.)

and Rep. Eugene J. McCarthy (D., Minn.), but Congress adjourned without acting on it. The measure provided that each state should allow maximum benefits equal to 50% of the worker's previous wage up to two-thirds of the state's average weekly wage and that compensation should continue for a uniform 39 weeks. Bills to establish these minimum federal standards were also introduced in the 86th Congress.

The AFL-CIO proposes a complete overhauling and modernizing of the present inadequate state-by-state unemployment compensation system. It declares that far more sweeping reforms are essential if the jobless benefit system is to meet the challenge of recessions such as that of 1957-58.

### SOME EFFECTS OF THE RECESSION

By mid-1958, effects of the year-long economic recession had become widespread. A survey of the unemployed during the period, October, 1957, to October, 1958, by three professors at the University of Michigan showed that about 38% of the nation's families had been affected by the recession. Including unemployment, shorter workweeks, or some other financial reversals, nearly 4 out of every 10 families had felt the recession in some way. Among those getting jobless compensation, benefits averaged only 37% of weekly earnings.

Government reports on full-time unemployment did not cover the millions of workers still on payrolls but affected by cuts in wages or in overtime pay. Many had dropped from a 5-day week, plus overtime, to a 3 or 4-day week. These part-time workers represent a group more than twice as large as those actually jobless.

Official Census figures on the labor force showed that in July, 1958, more than 11 million workers, or 19.2% of all those at work, were on part-time of less than 34 hours a week. And more than 3 million of these part-time workers had less than 14 hours of work in the week.

**Specially Depressed Areas and Industries:** In the coal fields of southeast Kentucky and the southwest tip of Virginia, Homer Bigart, reporting for the *N.Y. Times*, Jan. 11, 1959, found "hard times, the worst since the great depression." Harlan County, Ky. officials said that 13,056 perons were "destitute." In 1948, the Harlan mines employed 12,500. But mechanization and a declining market had reduced the working force to only 5,087. In some mines, "100 men with machines now dig more coal than 500 miners did with shovels and picks."

Several Virginia counties had been declared an "emergency area" by the state board of welfare. Nearly 9,000 families totaling over 38,000 persons were on relief. "Many families remained hungry and ill-clothed. Children are kept out of school for lack of shoes. Until the weather turned bitterly cold many went to school barefoot." In eastern Ohio coal fields, 50% of the 5,000 miners were jobless for over a year.

In Michigan, where the automobile industry showed a marked decline in 1958, there were still about 332,000 jobless at the year-end, or 11.4% of the working population. In the city of Detroit, at the 1958 year-end, some 197,000 were still jobless, or 12.8% of the civilian labor force, more than twice the percentage of unemployment reported for the country as a whole. In this industry the situation was not regarded as chronic as in textile and coal. However, tens of thousands of highly skilled auto workers were not expected to be rehired when the industry returned to "normal" operations. Some with 16 years' seniority had long since exhausted their jobless benefits and had "no chance for work," the *Wall Street Journal* (Feb. 26, 1959) reported.

The U.S. Department of Labor, in its monthly survey of 149 major areas in relation to a "labor surplus" reported in November, 1958, that 83 areas still showed a "relatively substantial labor surplus." Eleven of these areas (including Detroit) showed unemployment in excess of 12% of the labor force while 17 showed unemployment between 9 and 12%. In the textile industry four areas in Massachusetts (Fall River, Lawrence, Lowell and New Bedford) and one in Maine (Biddeford-Sanford) were counted as areas of substantial labor surplus.

At hearings in July, 1958, before the Senate Subcommittee to Study the Textile Industry, Pres. William Pollock of the Textile Workers Union said that textile workers "are truly the forgotten men and women of the 1950's. Back in 1947, 1,146,000 Americans were employed in the manufacture of textile mill products. As of March, 1958, that total has dwindled to 820,000—a loss of nearly 350,000 jobs. And it continues to dwindle. . . . Because the textile plant so often is located in a one-industry town, they have no other jobs to turn to when the mill goes down. . . . When textile mills close down, such communities often turn into ghost towns."

## HOUSING CONDITIONS

The general housing situation in the last two years has been characterized by two related trends; a drop in the number of housing "starts"

and the growth of slums. Privately-financed housing "starts" fell to 992,800 units in 1957, the lowest level since 1949. While they rose in 1958 to 1,130,000 units they were still 6% below the average of 1,198,000 units for the years 1950 through 1956, and much further below the 2 to 2.5 million units which housing experts consider to be the minimum necessary to replace substandard dwellings and to house the increasing population.

Contributing to this drop in housing activity has been the steady rise in the price of homes. The F. W. Dodge Corp., a compiler of statistics in the construction industry, estimated that building costs rose another 2% in 1958. This rise has also been fostered by the "tight money" policy of the Federal Reserve Board, which has resulted in higher interest rates. In addition, Congress in 1958 raised the interest rate on Federal Housing Administration and Veterans Administration mortgages. As a result, it has become virtually impossible for families in the lower and middle income brackets to purchase homes. The National Housing Conference, in *The Housing Yearbook for 1958*, estimated that less than 30% of the nation's families can afford to buy and maintain a new house at today's prices. The median price for the cheapest new 3-bedroom house in the U.S. was then nearly \$11,000.

This failure to build adequate housing has led to a rapid growth of slums. An article in *Fortune* (April, 1957) stated that "with old houses decaying faster than good new ones replace them, the standard of American housing relative to American income is lower than it was in 1929." The magnitude of this slum problem was revealed in a speech by Albert M. Cole, former head of the Housing and Home Finance Agency, when he told members of the National Association of Real Estate Boards that "there is not and never will be enough money in the Federal Treasury to eradicate all the slums in the country." (*New York Times*, Nov. 16, 1958).

In many cities, real estate interests have advanced "slum clearance" programs which, while ostensibly fighting the spread of slums, have actually been used to drive working class families, mainly Negroes and Puerto Ricans, from centrally located urban areas. This policy has had its most notable success in New York City where the Committee on Slum Clearance has since 1954 forced over 20,000 families from their homes in order to build luxury apartments, renting on an average for \$60 per room per month.

That this policy has definite racial connotations was shown by Chairman Robert Moses of the Committee on Slum Clearance, in a

speech at Cornell University. "It would cost," he said, "some \$750 million, necessitate rehousing about 250,000 people, and require at least 25 years to clear all the existing bad slums in New York City, and even this would be futile . . . without a drastic curtailment of immigrants from Puerto Rico and the South." (*New York Times Magazine*, Jan. 18, 1959.)

This forced reshuffling of populations within cities has had the effect of spreading slums from centrally located areas to fringe areas. It has induced speculators to buy houses, and lease them at high rents to families displaced by "slum clearance" projects.

Despite the increased need for low cost housing, the government's public housing program came to a virtual standstill in the last two years. The largest portion of public housing built was for the military. And Congress in 1958 failed to make any appropriations for public housing. Early in 1959 it was considering bills to provide for building 35,000 public housing units per year for the next few years.

## HEALTH NEEDS AND MEDICAL CARE

Medical and dental care in 1957 cost the American people an estimated \$15.1 billion, the U.S. Department of Health, Education and Welfare reported. The total includes amounts spent for physicians, dentists, privately controlled hospitals, and insurance premiums for medical care and hospitalization insurance. It does not include amounts spent by local, state and federal agencies, nor medical expenditures by private charity. Of the total \$15.1 billion, only 23.1% was covered by health insurance.

In a special study, "The High Cost of Medical Care," the AFL-CIO cites a private survey showing that 11% of all families each spent \$500 or more and accounted all together for 43% of all medical bills. About 1 million families each spent more than \$1,000 a year for family medical care, while 8% spent nothing at all. (*IUD Digest*, Fall, 1957.)

Costs have been rising steadily in recent years. Over-all hospital costs increased by 132% in the years from 1946 through 1956. The conservative weekly, *U.S. News & World Report*, Jan. 31, 1958, reported that bills for hospital care, doctor's services and drugs have risen by almost one-third in the past 8 years. In the one year, 1957, premiums on typical Blue Cross hospital coverage for families rose by 12% in Detroit, Mich.; 26% in Louisville, Ky. and 34% in Albany, N. Y.

**Private Health Insurance:** In all, some 121 million persons in the

U.S. now have at least some form of health insurance, issued either under Blue Cross plans or by other agencies, including insurance companies, medical societies, group clinics and industrial associations. But about 70 million persons have no surgical insurance protection, and over 50 million or more than a third of the population have no hospital insurance.

For most of those covered, the provisions are far from adequate. Blue Cross hospitalization insurance, surgical and medical care plans at best provide only limited benefits, by no means covering all the expense involved for most patients. Less than 5% of the 175 million in the U.S. population have been able to afford the major medical protection insurance that is designed to take care of especially heavy medical bills. The Health Insurance Council estimates that voluntary health insurance benefits paid out meet about one-fifth of medical care costs.

The inadequacy of many health insurance plans is at the point of greatest hazard and human misery—older age. Policies renewable for life are too expensive for low-income and middle-income families. About half of the persons who are 65 or older in this country have no insurance of any kind to pay for health care. In N.Y. State, the Health Insurance Institute reported in September, 1958, that 65% of the population 65 years and over have no health insurance—due in part to the termination or cancellation of policies. Group health insurance policies of about 55% of the employees covered in the state terminate after employment ceases. Only 23% can be converted to an individual basis.

To aid retiring workers unions have attempted to obtain the maintenance of benefit plan protection for retired workers. Bills were introduced in the N.Y. State Legislature in 1958 to require a conversion clause in every group health policy and also lifetime coverage. They were not passed.

Rep. Aime J. Forand (D., R.I.) sponsored a bill to extend hospital and medical benefits to Social Security beneficiaries 65 years and over. But Congress did not act on the measure which was denounced by the American Medical Association as an effort to provide "socialized medicine" for older persons. The Forand bill was introduced again in the 86th Congress. The AFL-CIO, in its legislative program for Congress, supports this measure and calls for provision for hospital, nursing home and surgical care for those receiving social security benefits.

**Need for Doctors and Medical Research:** As the U.S. population increases at the rate of about 3 million a year, it is revealed in recent studies that the number of physicians is falling behind the

growing population. The physician-population ratio is now at the inadequate proportion of one physician to 1,100 of the population, but the physicians are badly distributed between urban and rural areas. Among the states, New York has the highest ratio—one physician to 485 inhabitants, while Mississippi has the lowest—one to 1,305 persons.

An acute shortage of physicians is reported especially in the field of mental disease. State mental hospitals, notoriously understaffed, now need more than 3,700 additional physicians. Similar shortages are reported in public health services.

Toward the tremendous need for more facilities in medical schools and medical laboratories, the federal government has contributed funds that seem small by comparison with its expenditures for armaments. Under the Health Research Facilities Act in a 3-year program (to 1961) to enlarge and modernize public and private medical laboratories, the U.S. government contributes \$30 million a year, or exactly half the \$60 million spent for unneeded parts for Sabrejet fighters bought by the U.S. Air Force in 1954-56 and never used. Note also that the funds spent for cancer research by both public and private agencies in the U.S. are little more than 1% of the government's expenditures for military weapons.

For fiscal 1959, Congress voted a total of \$211 million for the National Institutes of Health of the U.S. Public Health Service and for other medical research activities. This was a record high for medical research but it contrasts sharply with the \$45.8 billion budgeted for "defense" expenditures in the same year. The amount for major military expenditures was thus about 217 times greater than the amount for medical research. Out of a current gross national product of \$446 billion, one-tenth of 1% is all that is now spent for every sort of medical research.

**Hospital Construction:** The shortage in the number of hospital beds in the U.S. as a whole is conservatively estimated as 200,000, but is probably nearer 800,000. The Hospital Construction & Survey Act (Hill-Burton Act) was due to expire in 1958 but Congress extended it for another 5 years. For hospital construction in fiscal 1959, Congress appropriated a total of \$186,200,000, an increase of about \$65 million as compared with the appropriation for fiscal 1958. President Eisenhower in his budget message for fiscal 1959 had proposed cuts in federal expenditures for hospital construction—"to meet only urgent and specialized needs."

**National Health Insurance:** A new measure, introduced by Sen. James E. Murray (D., Mont.) and Rep. John D. Dingell (D., Mich.) to provide a program for national health insurance was before the 85th Congress but was not passed. The first bill for such national health insurance was introduced in 1943 by the late Sen. Wagner, Sen. Murray and the father of Rep. Dingell.

The new Murray-Dingell bill would set up a contributory insurance system to cover the major costs of medical care. Individuals would be free to choose and change physicians or dentists, who in turn could accept or reject patients. Financing would be similar to that of the present social security and unemployment insurance systems. Employed persons would pay  $1\frac{1}{2}\%$  of earnings but not more than \$90 in a year. Employers would match these payments. Self-employed persons and recipients of old-age, survivors, disability and Civil Service retirement benefits would be included. Hospitalization would be provided up to a maximum of 60 days a year for each individual.

## WORK INJURIES AND DEATHS

Some 14,200 workers were reported killed on the job and 1,875,000 others were reported injured in work accidents in the U.S. in the year 1957. Thus the total job injuries during the year involved nearly 1,890,000 workers, compared with a revised estimate of 1,950,000 work injuries in 1956.

Of this total, the Bureau of Labor Statistics reported, "83,800 suffered some permanent physical impairment ranging from the amputation or partial loss of use of a finger or toe to complete inability to engage in any future gainful employment."

These injuries involved a loss of about 40 million man-days of disability during 1957. But "when the future effects of the deaths and permanent impairments are evaluated and added to the immediate loss, the total attributable to the 1957 injuries will amount to approximately 174 million man-days—equivalent to a year's full-time employment of about 560,000 workers." (U.S. Bureau of Labor Statistics, "Estimated Work Injuries, 1957.")

**Decline in 1958:** Accidents on the job killed 13,300 workers in 1958—about 900 fewer than in 1957. There was also a further decline in the rate of injury occurrence which dropped from 31 per 1,000 workers in 1957 to 29.4 in 1958.

In addition to those killed, about 1,796,000 workers were injured on the job in industrial accidents, so that total job injuries fell to around 1,810,000 or about 4% below the previous year. The marked drop in the number of injuries, as compared with previous years, was partly because of lower employment and a shorter workweek, and partly because of the decline in the *rate* of occurrence, noted above.

Among those injured were about 75,700 workers who suffered permanent physical impairment, some of them so completely disabled as to be unable to engage in any future gainful employment. About 38 million man-days of disability resulted from all injuries. But when future effects of the deaths and permanent impairments are included, "the total attributable to the 1958 injuries will be about 160 million man-days, equal to a year's full-time employment of about 515,000 workers," the BLS estimated.

Preliminary reports indicate that in all manufacturing, the injury frequency rate declined from 11.4 per million hours worked in 1957 (annual average) to 10.7 in the first 9 months of 1958, when the recession had cut down production in many industries.

**In Coal Mining:** Accidents in coal mines of the U.S. killed 356 workers in 1958, the U.S. Bureau of Mines reported. This was a decrease of 121 from 1957 when 477 were killed. These fatalities resulted in frequency rates of 0.84 per million tons of coal produced, compared with 0.92 in 1957. The fatality rate per million man-hours worked was 1.12 in 1958 and 1.18 in 1957.

As compared with 1958, fatality rates thus declined only 9% per million tons of coal produced and 5% per million man-hours of work-time. But coal production in 1958 dropped 19% below 1957 and working time was off 22%. Thus, while production and exposure time showed such declines, the frequency rate of fatal accidents remained high.

Major gas or dust explosions killed 36 in 1958; 59 in 1957. In West Virginia mines alone, 149 were killed and more than 4,000 injured in 1958.

## NEGRO WORKERS

Of 174 million persons in the U.S. civilian population as of July, 1958, the Census counted 19.3 million, or about 11%, as "non-white." Since all but a small percentage of these are Negro, the figures may be used as practically identical with those for the Negro people. Of the

total civilian labor force of 68.1 million in December, 1958, some 7.2 million or about 10.5% were Negroes.

In industry, Negro workers still meet the discrimination that has kept them in unskilled or semi-skilled occupations, with little opportunity for the training that could bring them promotion to better jobs. The differential between Negro and white occupations is clearly revealed in Census data in *Labor Force* (Nov. 1958).

In October, 1958, only 4.7% of white workers were counted as laborers (except farm and mine) but 15% of Negro workers were so listed; only 7.6% of white workers but 16.2% of Negroes were service workers (except in private households); only about 4% of white workers but nearly 13% of Negroes were farm laborers and foremen. The most marked differential was among women in household work, with only 6% of white women but 33.5%, or more than a third of all Negro women workers employed as private household workers.

In the more skilled occupations, 11.9% of white workers in the labor force but only 3.8% of Negro workers were counted as professional, technical and kindred workers; 11.6% of white workers but only 2.4% of Negro workers were listed as managers, officials and proprietors (except farm); 15% of white workers but less than 6% of Negroes were clerical and kindred workers; about 14% of white workers but only 6% of Negroes were craftsmen, foremen and kindred workers.

**Wages Average Less:** As a result of their economic situation in relation to jobs, Negro workers earn much less than white workers in yearly wage or salary. For year-round, full-time work in 1957, Negro men averaged \$3,137, or 36.6% less than white men, who averaged \$4,950. Year-round, full-time Negro women workers averaged \$1,866 in 1957, or 40% less than white women workers who averaged \$3,107. (For the differential in Negro and white family incomes, see section above on Distribution of Income.)

**Unemployment Among Negroes:** Although Negroes form about 11% of the civilian labor force, in April, 1958, at the low point of the economic recession, there were 1,024,000 jobless Negro workers, or one-fifth (20%) of all the full-time unemployed in the U.S. as estimated by the Census Bureau.

The unemployment rate among Negro workers at that time was 13.9% of the civilian labor force—a little more than twice the rate of 6.8% among white workers. For the 3-month period, February, 1958 through April, 1958, the average unemployment rates were 14.5% for Negroes and 6.8% for white workers.

By October, 1958, when the government's official figure on the total number of jobless had fallen to 3,805,000, there were 758,000 unemployed among Negro workers, or still nearly 20% of the total, the Census report showed. (*Labor Force*, Nov., 1958.) At that time the unemployment rate among Negro workers was 9.8% of the civilian labor force, still almost twice the 5% rate among white workers. Even in the relatively prosperous year, 1957, the unemployment rate among Negroes averaged 9.6% of the civilian labor force, or more than twice the average unemployment rate of 3.8% among white workers.

Part-time unemployment has also been considerably more common among Negroes than among whites. In April, 1958, about 30% of the Negro workers had less than 35 hours of work in the week, as against only 19% of white workers on this part-time basis. The Census lists anyone who worked at all during the reported week as "employed"; so these official estimates undoubtedly understate the real impact of unemployment and underemployment on Negro workers.

By October, 1958, after the partial recovery from recession lows, nearly a quarter (24.7%) of the Negro workers still had only part-time work of less than 35 hours a week, compared with 17.3% of white workers found on part-time schedules. Negro women were especially hard hit by underemployment. More than a third (35%) of Negro women workers in October, 1958, had less than 35 hours of work.

Since many Negroes worked less regularly and earned less while working, their unemployment benefits were smaller and shorter in duration than those of white workers. Many had already been jobless for some time when the recession started and had already exhausted any unemployment compensation to which they were entitled.

After a survey in many cities, *Fortune* magazine (July, 1958) in an article on "The Invisible Unemployed," showed that "In almost every city the heaviest burdens in the recession have fallen upon the Negro. . . . The reasons lay in the fact that the Negroes constitute the higher proportions of the unskilled, and they have the lowest seniority." In the steel city of Gary, Ind., half the unemployed were colored workers.

## OLDER WORKERS

Problems of older workers now receive more attention than in earlier years. Even compulsory retirement at age 65 is being increasingly questioned. The special difficulties of older workers are recognized as centering in job possibilities, low incomes, health and medical care.

The labor force as a whole is expected to increase from 70.2 million (in March, 1958) to over 79 million in 1965, the U.S. Department of Labor estimates, and half of this increase will be persons 45 years and over.

After a study of older and younger workers on the job in men's footwear and household furniture industries, the Labor Department found that attendance rates were as good for one age group as for another. In productivity there was a slight falling off in efficiency among workers over 45, but "substantial proportions of workers in the older age groups can outperform the average worker in the younger age groups. Even among those aged 55-64, about one-third out-class the average in the 35-44 group, which is generally considered the prime of life."

The U.S. Bureau of Employment Security studying job seekers in Philadelphia and six other major centers in 1956 found "great resources in skills, experience and dependable service which the over-45 group has to offer." But once out of a job, "those over 45 have more frequent and longer spells of unemployment and greater difficulty than younger people in finding jobs." Older workers, representing 40% of the applicants, obtained only 22% of the jobs filled that year. "For men and women over 40, the opportunity for work is generally not bright," the *Wall Street Journal* reported (May 22, 1958).

With such difficulty in obtaining a good job or any job at all, the older worker finds his annual income falls sharply. Even in the years between 55 and 64 there is a considerable decline in income. The drop becomes more marked in older age when about one-third of those over 65 subsist on social security or other retirement benefits and about one-fifth are on relief.

**Pension Plans:** Private pension plans now cover about 16,400,000 persons or nearly one-quarter of the labor force in the U.S. This compares with a total of 12 million covered by such private pension plans in 1953. Of the present total, about 10 million are workers covered by plans under collective bargaining.

In a special study of 100 pension plans under collective bargaining as of late 1957 and early 1958, the U.S. Bureau of Labor Statistics found that in all about 3.3 million workers were covered by these 100 programs. And 86 of the plans, covering nearly 2.9 million workers, were financed solely by the employer, while 14 were contributory plans, financed jointly by employer and employee.

The amount of pension provided by these plans varied widely, according to the worker's length of service and the amount of his

earnings. On the basis of the BLS study, the AFL-CIO averaged the amounts payable under these plans and summarized the data in its *Collective Bargaining Report* (Aug., 1958.) These plans indicate that for the retiring worker with 25 years service who averaged \$3,600 a year, the average monthly pension would be \$57.50; for one who averaged \$4,200 a year it would be \$65.50. For the worker with 30 years service who averaged \$3,600 a year, the average monthly pension would be \$69.50, while for one averaging \$4,200 it would be \$75.50.

## WOMEN WORKERS

There were 22.2 million women in the civilian labor force in April, 1958, the Bureau of the Census estimated. Of this total, some 20.6 million were employed and 1.6 million were unemployed. The total number of women workers in the spring of 1958 compared with a peak of 22.7 million estimated for mid-October, 1957.

Women workers now constitute about one-third (33%) of all the workers in the civilian labor force in the U.S. And more than a third (36%) of all the 62 million women of working age (14 years and over) in the population are in the labor force. The Department of Labor projects an increase of more than 5 million in the number of women workers by 1965, compared with 1955, the U.S. Women's Bureau notes in its 1958 *Handbook on Women Workers*.

Unemployment among women workers had increased markedly by the spring of 1958. The 1.6 million, about 7½% of all women workers, who were counted as jobless in April, 1958, compared with only 882,000 jobless in the spring of 1957. The Census Bureau does not consider "unemployed" those "seasonal workers for whom the survey week fell in an 'off' season", nor does it count as unemployed those who had even a few hours of work in the week, so the total number counted as jobless is clearly an understatement.

Nearly a third (29.7%) of the women in non-agricultural industries in April, 1958, were working less than 35 hours a week. This compared with 14.9% of men on such part-time work. About 7% of the part-time women workers reported that they "usually work full-time at present job," the Census Bureau noted (*Labor Force*, May, 1958.) The recession was evidently mainly responsible for cutting down their hours of work, as well as their weekly earnings.

**Working Wives and Mothers:** During recent years, the proportion of married couples with both husband and wife working has steadily increased. This has been largely due to the rising cost of living with two wage-earners needed to "make ends meet" for the family. In its study of personal income the U.S. Department of Commerce (*Survey of Current Business*, April, 1958) notes "the large proportion of families—well over two-fifths—with more than one working member."

The number of working mothers reached a new peak in 1957. There were 7 million working mothers with children under 18 in the household, and the total included 2,587,000 who had very young children, under 6 years old. They represented about one in six (18%) of all mothers of young children.

**Lower Wages Persist:** Women in the U.S. do not generally get equal pay for equal work. The jobs they hold are usually less well-paid than the jobs held by men. And it is still true that on the same kind of job the woman is often paid less than the man. "A lot of firms still pay the woman less than they do men in similar positions," *Business Week* commented (May 17, 1958). These differences result in lower annual income for women workers.

One-half the women in the U.S. in 1957 received less than \$1,199, the median for women, the Census reported. In the same year the median for men was \$3,684, or more than three times that of women. Census figures on consumer income showed sharp income gains among men but comparatively little change among women in recent years. Two-thirds of the women (65.6%) had incomes of less than \$2,000 in 1957. Only about 3% of the women got \$5,000 or more, as compared with 30% of the men in that higher group.

New York is one of the few states that reports on the earnings of women workers separately from those of men. The differential is clearly indicated in the monthly *Labor Market Review* showing the average weekly earnings of men and women. Earnings of men factory workers in durable goods in New York State averaged \$95.08 a week in June, 1958, while earnings of women in the same industries averaged only \$56.58. In nondurable goods industries, earnings of men averaged \$93.01 a week; of women \$53.76. More women are employed in nondurable goods than in heavier industry, but the differential persists in each particular industry.

**Minimum Wage Laws:** State minimum wage laws, which apply chiefly to workers in local and service industries, have been improved

somewhat in a number of jurisdictions in the last two years. In 1957, Vermont enacted such a law for the first time, bringing the total number up to 30 states and 4 other areas, District of Columbia, Alaska, Hawaii and Puerto Rico. In 12 of these jurisdictions now the law applies also to men. (1958 *Handbook on Women Workers*.)

But state minimum wage laws are "woefully inadequate," as the *AFL-CIO News* (March 23, 1957) declared in urging that some 9.5 million additional workers, thousands of them women, should be brought "under the umbrella of the federal law." Only about 1.5 million out of a total of nearly 4 million retail trade workers are covered by state laws—and their minimums run as low as 16¢ an hour.

An AFL-CIO research team in 1957 revealed the low wages paid to many women in Asheville, N. C. A girl clerk in a chain drug store was earning 39¢ an hour for 58 hours a week. Employees in a laundry were earning \$98 a month on a 48-hour week, at 45¢ an hour. Hotel elevator operators were earning \$36 every two weeks for a 48-hour week, or less than 38¢ an hour.

**Toward Equal Pay:** Some progress has been made toward establishing equal pay laws in the states, but Congress has not yet passed the long-awaited federal equal pay legislation. President Eisenhower in 1957 reaffirmed his support of such a law on the ground that legislation "to apply the principle of equal pay for equal work without discrimination because of sex is a matter of simple justice."

In all, 17 jurisdictions, including 16 states (Ark., Calif., Colo., Conn., Ill., Maine, Mass., Mich., Mont., N.H., N.J., N.Y., Ore., Pa., R.I., Wash.) and Alaska now have equal pay laws on their statute books.

In 16 states and the District of Columbia men and women teachers are required to receive the same rate of pay. In many other school systems, equal pay exists through school board action. In the federal government, the Civil Service Classification Act establishes a uniform salary range for each grade and class of work.

## YOUNG WORKERS

In the civilian labor force in December, 1958 (a school month), there were 2.5 million young workers 14 to 17 years old. Of this total, 1.5 million were boys, the Bureau of the Census reported in the *Labor Force* (Jan. 1959). About 441,000 of the boys and 305,000 of the girls,

or a total of 746,000, were only 14 and 15 years old. "Nearly half of our high-school-age population 14-17 years of age work at sometime during the year, usually part-time," the U.S. Bureau of Labor Standards noted in its survey *Young Workers Under 18*.

During the past two years, a number of states have considered measures to improve or modify child labor laws. Bills that would have lowered existing standards for employment were defeated in Connecticut, Iowa, Michigan and Pennsylvania. New Hampshire passed a measure allowing children of 14 and over to work as caddies and as newspaper delivery boys. New Jersey improved its law by prohibiting employment of minors under 18 as payroll messengers.

Florida passed a law raising from 10 to 12 the age of employment at any time and from 14 to 16 the age of employment during school hours. Utah defeated a bill to lower the minimum age for employment. Nevada passed a measure lowering the school-leaving age from 18 to 16. In New Mexico a bill to raise the school-leaving age from 16 to 19 was defeated.

The Fair Labor Standards Act sets an 18-year minimum age for hazardous jobs, a 16-year minimum for general employment, and a 14-year minimum for certain after-school-hours jobs. In a survey of child labor violations in fiscal 1957, the U.S. Department of Labor found children under 14 working in such hazardous occupations as skidding logs, cutting, loading and hauling pulpwood, driving a tractor to haul logs to the sawmill, operating a freight elevator, operating a scrap-paper bailing machine, and acting as helpers on delivery trucks.

Others in hazardous jobs included 14-and 15-year olds employed in mining of coal and manganese ore, operating a power-driven press and a guillotine papercutter, and boning meat and butchering on the killing floor of a meatpacking plant. For some of these youngsters, these jobs ended with fatal or permanently disabling injuries. Many of the illegally employed children were underpaid and were not receiving the lawful minimum wage.

At least 9 million children in the U.S. live in families where the total money income is less than \$40 a week, i.e., less than \$2,000 a year. *Parents' Magazine* (Jan. 1958) comments: "It is easy to understand why many of these children drop out of school to work to help buy groceries for the family."

Citing a nationwide survey of school dropouts, the U.S. Department of Labor reported in April, 1958: "Half of the nation's youth lack the high school education required in almost all skilled trades, while

five-sixths lack the college study needed for training in most professions."

**Unemployment Among Youth:** Since young workers are usually the last to be hired, they are often the first to be fired in times of recession and unemployment such as developed in 1958. Younger workers usually have not qualified for the higher-skilled jobs nor have they acquired seniority rights that are protected by good unions. Jobless young workers between 14 and 24 (counted in the labor force) totaled about 2 million in mid-July, 1958, the Census Bureau reported, representing nearly 40% of all jobless at that time. This compared with about 1.2 million young workers who were unemployed in mid-July, 1957.

On teenagers, the National Child Labor Committee noted: "Their rate of unemployment is the highest of any age group—double that of the national average." (See "Disadvantaged Children and the World of Work" in the *American Child*, Nov. 1958). On the basis of a New York State survey of unemployment insurance records, the *N. Y. Times* (April 5, 1958) said: "The young are losing their jobs faster than the old in the present recession." Boys under 20 made up about 4% of all male insurance seekers in January, 1958, compared with only 2.4% a year earlier. Girls under 20 made up about 3% of the women applicants for jobless insurance in 1958, as against 2.5% in 1957. Similar increases were shown for those under 25 years old.

## SCHOOL AND TEACHER SHORTAGES

In the 1958-59 school year, the number of pupils in the U.S. public schools had increased to 33.9 million, a rise of 3½% from the previous school year. It is now estimated that elementary and secondary school enrollment may rise to 40 million by 1965.

But building of schools to house the pupils has not kept pace with the growth in number of boys and girls of school age. Already in 1958, there were 2.3 million children for whom there was not adequate space in the public schools. A conservative estimate by the U.S. Office of Education indicated that at the start of the 1958-59 school year an additional 140,000 classrooms were needed by elementary and secondary schools in the U.S.

In the 1957-58 school year about 71,000 schoolrooms were added to the nation's total but this gain was offset to a large extent by the

expanding school population. The total number built reduced the shortage by only 1,800 rooms. It is estimated that some 68,400 new rooms will be completed in 1959, but this will still leave a shortage of at least 72,000 rooms urgently needed.

President Eisenhower on August 12, 1958, signed "reluctantly" a bill to continue the program under which about \$200 million a year in federal aid is granted for construction and operation of schools in areas with major federal installations—where military and other federal employees are stationed. This is one of 3 inadequate programs for federal help to education. The others are provision for veterans' education, and loans to colleges for the building of dormitories.

In the 86th Congress, the Administration proposed a program of federal aid for construction of schools that would provide a maximum of \$85 million in any one year, for a period of 25 years. But the funds would be raised locally and the federal government would merely help to pay interest on the loan and part of the principal, if necessary. A somewhat more adequate measure was introduced by Sen. James E. Murray (D., Mont.) and Rep. Lee Metcalf (D., Mont.) to provide \$1.1 billion in the first year to be used for teachers' salaries or for school construction in a program to continue for 4 years. The cost would amount to \$4.4 billion in the 4th year.

The cost of constructing school classrooms depends on varying conditions in the community. In the year 1957-58, the average cost was "slightly in excess of \$40,000 per classroom", the Office of Education says. The amount called for in the Murray-Metcalf measure would thus provide funds, at this cost, for about 27,500 classrooms a year—few indeed in view of the nation-wide shortages.

**More Teachers Needed:** A serious shortage of teachers is reported in all parts of the U.S. At least 220,000 new teachers were needed in the autumn of 1958, the National Education Association estimated, but only about 85,000 were available. Even in New York State, more favorably situated than some other areas, Education Commissioner James E. Allen reported in mid-1958 that public schools needed 13,300 new teachers. Only about 7,800 were then available to fill the vacancies. The situation was most serious in the elementary schools.

One reason for the shortages is that salaries for teachers have been inadequate to meet the rising living costs. The AFL-CIO has proposed that a salary schedule for all teachers should begin at \$5,000 and reach \$10,000 in not more than 8 steps. It also points out that one of the chief problems of teachers is their great load of non-teaching

duties. They must either slight their responsibilities or work long hours of overtime without compensation. This practice "should be promptly ended."

The labor federation's program for education includes federal aid for public school construction, public school teachers' salaries, scholarships, to combat illiteracy at all levels, and for health and welfare services for all children.

**Attack on Juvenile Delinquency:** The AFL-CIO also at its 1957 convention, resolved that its members "initiate action to persuade municipal governments to assume their full responsibility for fighting juvenile delinquency through the use of government funds to eliminate slums, to provide decent, adequate schools, to insure cultural advantages, adequate health standards, recreational facilities and job opportunities for our young people."

It also called upon members to urge upon municipal governments "the role of coordinating all public and private agencies in a sound and concerted program of combatting juvenile delinquency," in a cooperative rather than a competing effort.

A constructive educational plan to meet the problem of youth crime was proposed in June, 1958, by the N.Y. State Conference on Juvenile Delinquency. It recommended helping young people to get better vocational training and employment, better recreation activities, more psychological aid for the disturbed in schools, and contact with the families (about 5 to 10% of all families) of possible delinquents. These measures could be carried out by local committees, representing educational, religious, civic and other groups in the community.

Pres. Carl M. Loeb of the Community Council of Greater New York was reported in the *N. Y. Times*, June 24, 1958, as calling for a program to deal with the underlying cause of juvenile delinquency and "the elimination of such factors as broken homes, slum living, cultural conflicts and economic insecurity."

### III. FARMS AND FARMERS

Since 1947, U.S. agriculture has been in a depressed condition as production costs have mounted while gross farm income has lagged behind. During this post-World War II period of eleven years, net farm income—the so-called "net" remaining after production expenses are deducted from gross farm income—has continued to shrink. In only three of these years was it higher than the year before, and each of these peaks was lower than the preceding one.

The most recent upward flurry carried net farm income to \$13.1 billion in 1958—\$2.3 billion above 1957 but still \$2 billion short of the previous peak in 1951 and \$4.2 billion below the alltime high of 1947. That the 1958 upturn was of a temporary character is indicated by the decline in farm income during the second half of the year and U.S. Department of Agriculture's forecast that in 1959 farm income will be 5% to 10% less than in 1958.

Inflation has also reduced the farmers' purchasing power. A dollar of farm income in 1958 was worth 80¢ in terms of 1947 purchasing power, and the farmers' realized net income of \$13.1 billion in 1958 was therefore equivalent to only \$10.5 billion in 1947 dollars. Likewise, the 1957 total of \$10.8 billion was equivalent to only \$8.7 billion. From a postwar high of \$17.3 billion (actual) in 1947, farm income as measured in constant dollars, was down 50% in 1957 and 39% in 1958.

#### SHARE OF NATIONAL INCOME

Agriculture's share of the national income has contracted sharply during the postwar period. Part of this has been caused by the greater expansion of industrial output, but the major factor has been the divergent trends of industrial and farm prices. Of the U. S. total personal income, amounting to \$191.6 billion in 1947, agriculture yielded \$15.5 billion or 8.1%, but of the \$354.4 billion total in 1958, agriculture's share was only \$13.1 billion, or 3.7%.

The average income of persons living on farms is now a little more

than half that of the nonfarm population. In 1958, the per capita income of persons living on farms was \$1,068, including income from nonfarm sources, while the per capita income for the rest of the nation was \$2,034. For Negroes and others designated by the Census as "non-whites," the differential is even greater. Latest available figures show that for 1957 the median was \$508 for nonwhite males in agriculture and \$308 for nonwhite females.

## FARM PRICES AND PARITY

Prices received by farmers were on the average somewhat higher in 1957 and 1958, but most of the increase was offset by higher costs. From the recent low of 235 in 1956, the index of prices received by farmers for all farm products (1910-14 = 100) was up to 242 in 1957 and 250 in 1958. Even so, this index was still considerably below the post-World War II high of 302 in 1951. (At the end of 1958 the USDA revised its indexes of prices received and paid by farmers. The revision affects the series beginning 1952 and has the effect of improving the relative showing of farmers in 1958 by about 3% over the previous indexes. Unless otherwise stated, the figures used here are from the revised series.)

The index of prices paid by farmers for all items, including interest, taxes and wages, (1910-14 = 100) has continued to rise almost without interruption over the whole postwar period. From 240 in 1947, it had risen to 278 in 1956, to 286 in 1957 and to 293 in 1958. In mid-March 1959, it was at 298, the highest of record. Thus, the cost-price squeeze on the farmers has become increasingly acute.

Since the early days of the New Deal, the "parity ratio" has been the object of lively controversy in farm politics and farm groups have supported a variety of legislative proposals designed to bring farm prices onto a basis of parity with non-farm prices. As measured by the USDA, parity (100) is the ratio which prevailed in the period 1910-14 between the average prices received by farmers and the average prices they had to pay. Accordingly, when the parity ratio drops below 100 and becomes smaller, as in recent years, the movement of prices is against the farmers.

From a record high of 123 in October 1946, the parity ratio began its long decline, dropping to 100 in 1949. Although it rallied to 107 in 1951, it never again went above 100. By 1956 it was down to 83; in 1957, to 82; and in 1958 it was 85 (83 unrevised). Not even the latest

revision was able to halt the drop, however, and by mid-March 1959 it was down to 82 again.

## FARM-RETAIL PRICE SPREADS

As a result of the growth of monopolies and intensification of the cost-price squeeze on the farmers, farm-retail price spreads have widened markedly since the end of World War II. Lower prices paid to farmers have not resulted in lower prices for consumers, but on the contrary have led to wider marketing margins and higher profits for middlemen, processors, distributors and food chains.

The USDA estimates (preliminary) that in 1958 the retail cost of farm foods, reflecting the average annual purchases of an urban wage-earner or clerical-worker family, was \$1,065 of which the farmer's share amounted to only \$427, while \$638 went for marketing and processing charges. Thus, the farmer's share of the consumer's food dollar had shrunk to 40¢ in 1958—14¢ less than the postwar high of 54¢ in 1945. In December of 1958, it was down to 38¢.

## HIGHER OUTPUT, SMALLER ACREAGE

In spite of the Administration's avowed aim of reducing farm output by cutting acreage, farm output has continued to expand, setting an all-time high in 1958 with a 8.8% gain over the previous year. Since 1950, farm output (crops and livestock) has increased about 23%, compared with a 16% increase in the U.S. population.

The USDA's index of farm output (1947-49 = 100) was 113 in both 1956 and 1957 but climbed to 123 in 1958. The sharp increase in 1958 was caused mainly by the 48% rise in food grains and a 22% rise in oil crops, although also aided by a 10% gain in feed grains, 5% in cotton and 5% in meat animals.

In 1952, before the Eisenhower Administration took office, the crop land harvested totaled 349 million acres. In 1957, the total was only 326 million, a reduction of 23 million acres to the lowest total in many years. For the most part, this reduction was achieved by federal acreage controls and by the introduction in 1956 of a "soil bank" program under which farmers were paid for taking additional acreage or whole farms out of production.

However, these cutbacks in total acreage, which have affected most seriously the lower income farmers, have been more than offset by

higher yields and productivity, which have been most favorable on the big farms. In the period 1952-58, per acre yields of all crops have gone up 22%, and production per man-hour, 37%. On the large mechanized farms, the rate of increase has been much greater, more than offsetting the effects of acreage cutbacks.

**Surplus Stocks:** As of December 31, 1958, surplus farm commodities held by the government's Commodity Credit Corporation totaled \$8.7 billion. This was \$1.5 billion higher than at the end of 1957 and \$5.2 billion higher than at the end of 1952. The 1959 Economic Report of the President indicated that CCC holdings would climb to "a record total by mid-1959." Some of the largest holdings in these government-owned stockpiles at the end of 1958 were: 1.3 billion bushels of wheat; 1.4 billion bushels of corn; 6.6 million bales of cotton; 1.0 billion pounds of tobacco; 156 million pounds of dried milk; and 56 million pounds of butter.

## FARM DEBT HIGHER

Since 1945, total farm indebtedness (mortgage and non-real estate) has mounted each year except for a slight pause in 1954. From \$7.6 billion in 1945, the total has risen to \$20.3 billion on January 1, 1959. While the non-real estate debt climbed more rapidly during the period 1945-54, the growth of mortgage indebtedness has accounted for nearly two-thirds of the increase in the total farm debt since 1954. In 1959, farmers owed \$11.2 billion on mortgages and \$9.1 billion on non-real estate debts.

## POPULATION TRENDS

The protracted crisis in agriculture has greatly accelerated the off-farm movement of population. In 1947 the number of persons living on farms was 27.1 million, 18.9% of the total U.S. population. By 1958, the number had declined to 20.8 million, or only 12% of the total. Owing to higher levels of unemployment in the cities, off-farm migration was checked at least temporarily in the latter part of 1957, and the number of persons living on farms increased from 20.4 million in April 1957 to 20.8 in April 1958. But as a percentage of total population, their position remained unchanged in this recent period.

The U. S. Department of Agriculture estimates that over a million farms have either gone out of production or been absorbed by other

farms since 1947. From 5.9 million then, the number had shrunk to 4.8 million in 1958. This displacement was borne almost exclusively by farms whose annual sales were less than \$2,500 a year, as indicated by the Economic Report of the President in January 1959.

**Income from Non-Farm Work:** To supplement their meager farm incomes, farm families are turning increasingly to off-farm work. Thus, in 1947, the average per capita net farm income of \$644 was supplemented with \$181 from nonagricultural sources, while in 1958 the per capita net of \$770 from agriculture was supplemented with \$298 from nonagricultural sources.

Nearly 35% of the men living on farms in 1958 got most of their income from nonfarm work and 60% of all farm women engaged in some nonfarm work, the USDA reports. It estimates that "over one-fourth of the farm wives" are now in the labor force. (*Agricultural Outlook Charts, 1959*, p. 26.)

### VERTICAL INTEGRATION

The growth of contract farming or "vertical integration" has been particularly rapid in the last five years. Although the growing of crops under contracts has long been common for sugar beets, sugarcane, shade-grown tobacco, popcorn and vegetables for canning or freezing, the extension of this system to eggs, milk, hogs and cattle has been relatively recent. It was, however, the success of big feed distributors, hatcheries and processors in expanding the production of broilers and integrating over 90% of the broiler industry that has encouraged the meat packers, food chains and other interests to try similar forms.

Although contracts vary greatly in content, all of them require the farmer to sacrifice some of his traditional independence in exchange for credit or the assurance of a market for his product—sometimes reducing his status to a contract worker on a piece-rate basis but with no protection from wage-hour or other labor legislation.

"Vertical integration is bound to build monopolies, trends toward monopoly are visible wherever one looks . . . there is little left, it would seem for thousands of poultrymen but economic serfdom . . . the market for poultry and eggs is being cornered by integrated business," declared Carleton I. Pickett, executive secretary of the Massachusetts Farm Bureau Federation. "If the small, poultry-producing family farmer is to be allowed to survive, the vile system of vertical integration must be curbed," President J. B. McMillan of the Texas Broiler Association told Congress.

## SURPLUS FOOD DISTRIBUTION

When CCC inventories of food commodities cannot be sold, the U. S. Department of Agriculture is authorized "to donate them to school lunch programs, needy Indians, and for use of needy people in charitable institutions and family units in this country." Whatever supplies are in excess of domestic requirements may be distributed abroad.

Under direct distribution programs within the U. S., including the school lunch, the department donated 1,061 million pounds of food valued at \$236 million in fiscal 1957. This was reduced to 872 million pounds valued at \$185 million in fiscal 1958, but was increased in the first half of fiscal 1959 to 558 million pounds valued at \$114 million. According to the USDA's breakdown, these domestic distribution programs reached 14.1 million children in school lunches, 1.4 million persons in institutions and 5.2 million persons in family units. In addition, 905 million pounds of surplus food valued at \$110 million were distributed to needy persons abroad during the first half of fiscal 1959. Among the major foodstuffs then being moved were such items as flour, corn meal, dry milk, cheese, butter, beans, beef, pork, poultry, shortening and edible oils as well as both fresh and canned vegetables and fruits.

In depressed areas, such as the coalmining districts of West Virginia, Kentucky and Pennsylvania, federal food distribution programs have been particularly important. Thus, in West Virginia, where 15% of the workers were unemployed early in 1959, the *Wall Street Journal* (March 4) reported that of the 2 million persons in the state "300,000 are at least partly dependent upon federally-provided surplus food."

## FARM LABOR

The number of hired farm workers in the U.S. was 1,955,000 in 1958, the Department of Agriculture reports. This was 100,000 more than in 1957 but 342,000 fewer than in 1948. Of the current total, some 900,000 are migratory workers, of whom about half are foreign nationals brought into the U. S. for seasonal farm work chiefly from Mexico but also from the British West Indies, Philippine Islands and Japan. Another large group of migratory workers comes from Puerto Rico.

"In 1957 the average annual wage of hired farm workers was \$892 including wages from nonfarm work," reports the National

Advisory Committee on Farm Labor. Of this amount, \$738 was from farm work and \$154 from nonfarm work, making a combined total that was \$197 less than in 1956. Their average pay per day of farm work amounted to \$4.91 in 1957. Not only are the wage rates paid to them among the lowest in the economy but they also have less security than any other group. From 156 days worked on farms in 1947, their average had shrunk to 125 in 1957, and in this same period their off-farm employment shrank from 27 to 19 days.

Agricultural workers are for the most part excluded from protection under labor legislation including minimum wage, maximum hours and unemployment insurance. Recently some have become eligible for old-age pensions but few are actually covered.

Characterizing the plight of these workers as "the ugliest kind of human waste," Secretary of Labor James P. Mitchell told the National Conference of Farm Labor Services in Los Angeles (Feb. 24, 1959), "I am convinced that agricultural workers must be given the protection of minimum wage and maximum hours legislation." Before his address, some 200 pickets demonstrated outside the hotel where he spoke, their placards calling for a minimum wage as well as other safeguards for agricultural workers.

**Low Wages for Migrants:** The need for such legislation is obvious. In Ohio in the summer of 1957, migrant farm workers were paid as little as 25¢ an hour and their annual income averaged \$700. About the same time potato pickers on Long Island, N. Y., were paid a maximum of \$8.75 a day, and often work was available only one or two days a week. In September, 1958, the National Sharecroppers Fund reported that on California ranches Mexican migratory workers were making only 50¢ an hour at irrigation work. And in Lowndes County, Ga., cotton choppers were paid only 50¢ an hour and tobacco workers from 37¢ to 62¢. In Clinton, La., cotton choppers were getting 25¢ an hour and in Coahoma County, Miss., 37¢. In the lower Rio Grande Valley of Texas some employers were paying workers from Mexico as little as 16¢ an hour for a 60-hour week.

Housing conditions for many of the migrant workers brought into New York State were described by State Industrial Commissioner Lubin as "close to intolerable." And the National Association for the Advancement of Colored People reported in 1958 that there were widespread violations of state laws relating to migratory farm labor. Later it criticized Governor Rockefeller for refusing to support minimum wage legislation for migratory farm workers. After a confer-

ence in Albany, March 5, 1959, the NAACP said that "in his first legislative test, Governor Rockefeller has refused his support for realistic measures" to protect migrants and combat racial discrimination in private housing and public schools.

In Connecticut, a report in March, 1959, by the Human Relations Council of Greater New Haven, charged that Puerto Rican farm workers were being subjected to intensive exploitation—about 80% of them earning 65¢ an hour or less, and some as low as 51¢, while seldom working less than 75 hours a week.

**No Organization:** Few agricultural workers are organized. President H. L. Mitchell of the National Agricultural Workers Union (AFL-CIO) said that after 25 years of effort his union has fewer than 5,000 members and that only by a concerted drive aided by the major unions could a breakthrough be achieved. At a conference in Washington, D. C., February 6, 1959, William F. Schnitzler, secretary-treasurer of AFL-CIO, called the treatment of farm workers "the most shocking story of our time," adding that "the exploitation of human labor on many of the corporate farms of the country is as horrifying and degrading as the sweatshop conditions that prevailed in most American factories at the turn of the century."

Schnitzler reported that the federation's executive committee was studying a plan for a broad organizational drive among U.S. agricultural workers. But he said it would be "an extremely tough job." For, "We are up against the DiGiorgios, the Byrds and other agricultural tycoons, who include some of the most extreme union-haters and enemies of progress in America." (He was referring to Sen. Harry Byrd of Virginia, the largest apple grower in the United States. His Frederick County Fruit Growers Assn. imports Negro pickers from the Bahamas even when there is extensive unemployment in his own state. He keeps the voteless workers in sties and hovels and pays them considerably less than a dollar an hour.)

The Industrial Union Department of AFL-CIO has pledged its support for a "massive, large-scale campaign" of organization, stating that "farm workers are just like the employees of Swift, General Electric or General Motors—they look to their brothers in the organized labor movement."

## IV. THE TRADE UNIONS

### UNION MEMBERSHIP

Latest official estimate of reported trade union membership in the U.S. in 1957 put the total at about 18.5 million. This would be about a fourth of the total labor force in the U.S. And if those holding farm jobs are excluded, it would mean that about one out of three holds a union card.

A study of union membership made about the same time by the National Industrial Conference Board, found that the declared membership of 191 national and international unions (the word "international" indicates that some are in Canada and a few other areas like Puerto Rico) was about 18.4 million of which about a million were in Canada. This compared with a declared membership of 17.5 million for practically the same unions two years before in 1955, when the U.S. Department of Labor, in its survey, had noted that union growth had apparently halted on a plateau, or was practically unchanged from 1953. In fact it was then only a million more than four years before in 1951.

Of the 18.5 million members estimated to be in all unions in 1957, nearly 17 million were then in the American Federation of Labor-Congress of Industrial Organizations, a million of them in Canada; but the expulsions of the Teamsters and other unions at the end of that year brought the total AFL-CIO figure down to around 15.5 million. The remainder were in the recently expelled unions, the independent progressive-led unions expelled in 1949-1950, other independents such as the United Mine Workers and the Longshoremen (East and Gulf Coasts), some railroad brotherhoods and a few others. Just before the 1957 expulsions, the Department of Labor found there were 47 national and international unions which could be described as independent, or not affiliated with AFL-CIO. (U.S. Department of Labor, Bul. No. 1222.)

Also before the expulsion of the Teamsters this government survey found that concentration of membership in a few large unions was

"a characteristic of the labor movement. The 6 largest unions, each with 500,000 or more members, accounted for 1 out of every 3 union members, while 146 unions with less than 100,000, had one-fifth of the total membership." The Teamsters claimed about 1.4 million members in 1957, with the Auto Workers a close second with 1.3 million, while the Steelworkers claimed 1.1 million. The Carpenters and the Machinists each had about 800,000.

The combined national and international unions then had more than 77,000 affiliated local unions or about the same number as had been reported two years before. More than half of the locals were chartered by 18 unions each reporting 1,000 or more locals. At that time 147 unions reported having more than 110,000 collective bargaining agreements in effect, while the total number in effect, including those of unions not reporting, came to around 125,000. And an estimated 18 million workers were covered by these agreements.

Mergers between state and local organizations established by the former AFL and CIO, were completed by December, 1957. Mergers of several unions having similar jurisdictions were also effected in the period since the original AFL-CIO was established in December 1955. Further merger moves were still in progress at the end of 1958.

## SECOND CONVENTION OF AFL-CIO

The second biennial convention of the American Federation of Labor and Congress of Industrial Organizations met in Atlantic City, N. J., December 5-12, 1957. It was attended by 908 delegates from 129 national unions, 34 state bodies, and hosts of local central bodies and local unions.

"The optimism and high expectation that had prevailed at the 1957 merger convention were not much in evidence," the *Monthly Labor Review* of the U.S. Department of Labor reported (Feb., 1958). "The organizing fervor unleashed by the merger convention appeared to be substantially dampened by the absence of notable achievements over the 2-year interval and by the expectation that the circumstances contributing to this lack of success would continue."

**Expulsion of Affiliates:** The convention voted by almost 5 to 1 to expel the Teamsters for failure to meet the ethical standards set forth in the AFL-CIO's constitution and codes. It was found that this union was substantially controlled or dominated by corrupt elements.

By about 7 to 1 the delegates voted to expel the Bakery and Con-

fectionery Workers. After the convention ended, a new charter was given to an insurgent group in that union which claimed the support of some 60,000 members.

Almost unanimously the convention voted to expel the Laundry Workers, and to restore to good standing the United Textile Workers, previously suspended. This union gave assurances that it would comply completely with AFL-CIO clean-up orders. The Distillery Workers were kept under probation till they cleaned up the organization under the direction of an AFL-CIO monitor.

**Ethical Practices:** The significance of the disciplinary action taken against several unions and of the activities in this field was summed up in four resolutions. One outlined the constitutional principles that were the basis of such action; another adopted 6 codes of ethical practices and authorized the executive council to adopt others as needed; a third clarified and reaffirmed the council's stand on the fifth amendment to the U. S. Constitution when taken by union officers; and the fourth pledged full cooperation "with all proper investigations of criminal and corrupt influences in labor and management which are pursued with objectivity and fairness." However, the same resolution expressed concern that the McClellan Committee (U. S. Senate Select Committee on Improper Activities in the Labor or Management Field) "may allow itself to be used for political retaliation, and as a forum for the display of anti-union propaganda."

Faced with legislation advanced by those who hope to pass punitive measures in Congress "in no way related to a solution of the problem of corruption and racketeering," the convention went on record for the Douglas bill to regulate health and welfare plans, which was passed in 1958. And it said it would support "such other legislative measures as may be needed to protect trade unions and their members from those . . . who seek to meet specific disclosed abuses which cannot be adequately dealt with without Government help."

It said also it would resist every proposal which, "under the guise of seeking to protect workers from corruption or improper activities, seeks instead to weaken their ability to fulfill their responsibilities or to hamper the American trade union movement in achieving its proper and legitimate objectives."

The convention resolution assailed the McClellan Committee for giving a "disproportionately small amount" of its time to an exposure of corruption in employer ranks. It also made the point that corruption within the ranks of labor "is but a small part of the overall problem of

corruption in the whole of our society," with its "over-emphasizing material wealth."

**Political Action:** Resolution on this subject reaffirmed "dedication to the principle of nonpartisan political education designed to protect and secure the legitimate economic and political aspirations of America's working men and women." It pledged AFL-CIO to "rally support behind the liberals of both parties in Congress, the state legislatures and local governing bodies."

It asserted its right to give its members information on the voting records of public servants, declaring: "In order that elections may be free from the domination of corporate wealth and vested interests, it is vital that the American labor movement be in a position to assist financially candidates whose views and activities on behalf of social justice deny them contributions from special interest sources."

**Wage Freeze and Hours:** The convention came out strongly against any proposals for a voluntary wage freeze or a longer work-week. Running contrary to a proposal for a "moratorium on wage increases" that had been made by Pres. Richard J. Gray of the Building and Construction Trades Department of AFL-CIO, the resolution said "no need has been demonstrated for any wage freeze or for any nation-wide extension of the statutory work week." Increases in wages are needed in the coming collective bargaining "not merely to benefit the millions of American workers and their families, but because we are well aware that collective bargaining is the most direct means for trade unions to exercise a constructive effect on the economy."

**Tax Program:** "The federal tax structure should be overhauled," said the resolution on the national economy, "to provide a more equitable basis for raising revenue and to meet the need for strengthened consumer buying power at a time of economic decline. Individual income taxes on low and moderate income families should be reduced. Upwards of \$5 billion of additional revenue should be raised, without increasing tax rates, by eliminating the grants of special tax privileges to corporations and wealthy families."

In its resolution on taxation it proposed raising personal income tax exemptions to \$700; the elimination of numerous loopholes in the tax laws; the repeal of the inequitable federal excise or sales taxes; and the easing of the tax burdens on small business.

**Technological Change and Automation:** AFL-CIO urged Congress to engage in a continuing study "of the social and economic impact of the new technology," and to provide funds for reporting and

studying the facts as they develop. "All affiliated unions are urged to continue their efforts to press for effective collective bargaining and legislative programs to minimize the danger of hardship to individuals and communities, whose welfare is threatened by the consequences of radically changed technology, and to insure that the new technology will be geared to raising living standards and affording more leisure for all the people."

**Foreign Policy:** As in previous conventions the foreign policy resolution took a position essentially the same as that of the U.S. State Department. It contained the usual references to "free nations and communist expansionism" and spoke of the Soviet sputnik as "a blackmail weapon abroad," and a "bloodless Pearl Harbor." It heated up the cold war by charging the U.S. government itself with being "too late with too little in military defense."

It stated, however, that "The H-bomb, the intercontinental ballistic missile and the space rocket and satellites have brought the issues and events of foreign policy into every household. The stakes are as high as our physical existence and the existence and further flowering of the free way of life."

It added that American labor "today, as always, supports the aspirations of all colonial and oppressed people to national independence and human freedom." But it considered the emergence of "the new and infinitely more dangerous Soviet colonialism," as a world menace.

**Civil Liberties and Internal Security:** The convention had nothing specific to say about recent decisions of the U.S. Supreme Court in freeing victims of the Smith Act and frowning on methods of investigation used by the House un-American committee. But it welcomed "the recent decisions" of the high court "dealing with loyalty and security." And it pointed out that, in the past two years, "under the pressure from anti-union employers, local ordinances have been adopted by several communities restricting freedom of association and requiring exorbitant registration and licensing fees from anyone conducting union organization activities in the locality. Constitutionality of these vicious enactments has been successfully challenged by several of our affiliates. We are determined to maintain a vigilant defense against such invasion of human rights basic to our democracy."

**Organizing the Unorganized:** Resolution on this subject noted that in spite of anti-labor employers, encouraged by the restrictive provisions of the Taft-Hartley Act, the achievements of labor in National Labor Relations Board elections indicate the desire of the workers

for trade unionism. The records of the Board show that AFL-CIO affiliates "have participated in more than 7,000 representation elections" within the last two years, and 60% of these have been won. These victories represented bargaining rights for some 400,000 workers. Difficulties in organizing the South, and especially the white-collar workers, were again noted; but the resolution said that no matter how difficult the job "the determined effort of the united labor movement will ultimately prevail."

Other important resolutions passed by the convention favored expanded housing for low income families, improved social security provisions, an extended health program, liberalized immigration laws, remedies for juvenile delinquency, a federal workmen's compensation act, the passage of a surplus food bill to help the needy, extended aid to education, and relief for distressed areas as well as workers hit by industrial migration.

**Class Harmony:** In his opening address Pres. George Meany said: "We have long ago gotten over the idea that workers were a class apart." And in his concluding address he added: "You organize so that workers can collectively impress the fact on the employer that they are entitled to a fair share of the wealth produced by this system. . . . We have no argument with the system. We just want our share because we know the system cannot continue to work unless we get our share."

This attitude of Meany was reflected in the resolutions of the convention, illustrating the conclusion of Kermit Eby, former national director of education and research for the CIO. Eby wrote in the *American Socialist* (Jan., 1958) that "The American labor movement does not profess to challenge the economic powers which rule America, nor does it really challenge the war system on which our prosperity rests. . . . The American labor movement is not anti-capitalist; in fact, it is confessedly pro-free enterprise. Its chief economic affirmation is 'a larger share for us in the fruits of increased productivity'."

## DISSENTS ON FOREIGN POLICY

Despite the cold-war policies of George Meany and his advisers in the top trade union leadership, certain more peaceful sentiments began to be expressed during the last two years. They indicated that not all the leaders of American labor share the belligerent views of the AFL-CIO executive council.

In a statement January 26, 1958, the national board of Americans for Democratic Action, which exerts some influence in the labor movement (Pres. A. J. Hayes of the Machinists and Pres. Walter Reuther of the Auto Workers are on the board), called for a drastic change of foreign policy, declaring, "Our goal is competitive coexistence in a world at peace, not victory in a war that will permit no victory." And it added: "We should seek an agreed banning of nuclear tests" and also seek "a cut-off of production of fissionable materials for weapons—without, however, insisting upon this as a pre-condition to test-banning."

One of the more forthright criticisms of U.S. foreign policy was adopted by the International Union of Electrical Workers (AFL-CIO) at its convention, September 22-26, 1958. It referred to U.S. Far Eastern policy as "swashbuckling and saber-rattling of awesome proportions." And it said, "We must, without delay, disengage ourselves from direct involvement in the struggle over Quemoy and Matsu." Discussing events in the Middle East, it declared: "Our Lebanon adventure—breaking upon the bewildered people of our own country in complete surprise—followed by our taking refuge in the United Nations, is only one of the most recent examples of a policy that is as dangerous as it is ineffective."

A similar condemnation of U.S. Middle East policy appeared in *United Paper* (July 31, 1958), official organ of the United Papermakers and Paperworkers (AFL-CIO); "There is hardly a better example of wrong emphasis in U.S. international policy than the Middle East . . . it is evident the actions of Britain and America in the Near East were dictated by the need of Western Europe for Middle East oil . . . we strain to prop up the tottering regimes of anti-democratic despots. . . . It is past time . . . for an agonizing reappraisal of our foreign policy."

Earlier, when the USSR renewed its call for a high-level meeting to discuss world issues, the *Butcher Workman*, official organ of the Meat Cutters and Butcher Workmen (AFL-CIO), December, 1957, observed in an editorial: "It will be said that the Russians are not men of good will, but at least they are asking us to sit down and talk about peace. The request for such a meeting is worth while and should not be ignored." Secretary-Treasurer Patrick E. Gorman of this union signed the appeal for nuclear arms control sent to world leaders in support of the Geneva conference by the National Committee for a Sane Nuclear Policy in February, 1959.

At its biennial convention September 4-6, 1958, the American Com-

munications Assn. (Ind.), in a resolution on peace, noted that "Out of our trade union experience we know that the alternative to negotiations is conflict. And in the international arena today conflict is the road to the extinction of humanity."

United Electrical, Radio & Machine Workers (Ind.) at its convention September 1-5, 1958, stated it would support "every constructive development or proposal that will lead to a complete ban on atomic explosions. . . . It certainly meets the desires of a large majority of the people in our country who favor peace, as do most of the people of the world."

Amalgamated Clothing Workers (AFL-CIO) at its May, 1958, convention, in a statement on foreign policy, declared its opposition to all colonialism and declared the "highest goal of our foreign policy should be a world in which nations and peoples can live in peace and freedom." This union's Secretary-Treasurer, Frank Rosenblum, in October, 1958, signed the appeal of prominent American citizens headed by Clarence E. Pickett calling for a new U.S. foreign policy and the end of bipartisan cold-war diplomacy. Pres. Jacob Potofsky of the Amalgamated had signed an earlier citizens' call for a halt in nuclear testing.

An appeal to the U.S., Britain and the USSR to ban further tests of nuclear weapons by agreement, issued early in February, 1959, by 22 prominent scientists, clergymen, and businessmen, was signed by two labor leaders, Pres. Joseph E. Beirne of the Communications Workers and Pres. James B. Carey of the Electrical Workers, both AFL-CIO. And representatives of the Automobile Workers and of the State, County & Municipal Employees took part in the panel discussions at the Sixth National Conference on World Disarmament held in Washington January 23-24, 1959. However, no labor unions were among the 20 organizations sponsoring the conference which was attended by U.S. Senators and Congressmen as well as business, civic and professional leaders.

Longshoremen's and Warehousemen's Union, at its biennial convention in April, 1957, resolved that, "The road to peace hinges on mutual disarmament, banning A and H bomb tests, calling for more top level talks between leading nations, complete support of the UN, removing foreign troops from any other nation's soil, recognition of national movements for independence, increasing world trade and exchange of information. . . ." Pres. Harry Bridges of ILWU has also made several strong statements reflecting this union's peace policy.

## RACKETEERING IN LABOR

Large-scale infiltration of trade unions by underworld gangsters and racketeers in the U.S. is confined to a small number of unions, David J. Saposs points out in an article on the subject in *Social Research* (Fall, 1958). Only "certain industries, businesses and trades seem readily susceptible to large-scale and widespread racketeering, and these are mainly those in which not only labor racketeering thrives but all sorts of general racketeering, involving employers, middlemen, and others. Hence racketeering is not a labor problem but a social problem."

He notes also that in the public concern over union activities "there has been considerable effort to discredit former socialists and welfare-state advocates, but it happens that most of the top labor leaders exposed as racketeers and embezzlers, and as associating with or harboring underworld elements in their unions, have been prominent in Republican politics."

He does not mention names, but it is well known that Dave Beck of the Teamsters (see below) was a strong supporter of Eisenhower for President in 1956 and was personally received at the White House and invited to Eisenhower's stag parties. James R. Hoffa, although claiming to be independent in politics, also supported Republican candidates in the Michigan elections of 1956. Pres. Hutcheson of the Carpenters has been a lifelong Republican whose name has been used to decorate Republican "labor committees" during election campaigns.

The attitude of employers toward the racketeering type of unions is also discussed by Saposs who says that most of them are apathetic. "While deplored racketeering they are reluctant to become involved. Privately, they may vigorously condemn the evil, but they shy away from openly participating in attacking the problem. Some employers who deal with corrupt unions feel quite content to ignore the matter so long as it does not seriously affect them. Others seem satisfied with racketeering arrangements, from which they happen to profit. . . . The most vociferous employer groups are taking advantage of the scandalous developments within some unions in order to smear and possibly destroy all unions. They indiscriminately intimate that all unions are corrupt and anti-social. These employers seem uninterested in helping to clean the few corrupt and racket-ridden unions."

**Dual Standards:** A similar position on the social basis for labor union corruption is taken by Frederic Meyers of the faculty of the Uni-

versity of Texas, in an article on "Dual Standard for Corruption" in *The Nation* (March 1, 1958). Commenting on the revelations of the McClellan Committee showing how some labor leaders have misused their position of power to profit selfishly at the expense of their constituencies, he says, "No one denies that something ought to be done to halt such reprehensible practices. But the brutal fact is that while the conduct of these men may fall short of what society and the labor movement expect of them, it is generally quite consistent with that of the business community. The basic trouble with the labor movement is that it has been infiltrated by the businessman's code of ethics."

He gives many examples to show that corporations and their officers do precisely what labor officials are charged with doing, without evoking headlines in the press. He concludes, "It is a profound compliment to the labor movement that so few occur within its ranks that they arouse widespread indignation when they are uncovered."

In the matter of internal democracy he says that, "Here also higher standards are demanded of the labor movement than of other institutions. . . . No union officer is as oligarchically entrenched as the executives of A. T. & T. In fact, the 'people's capitalism' of widespread stock ownership assures executive power without responsibility." (See also our booklet, *People's Capitalism* by J. M. Budish.) After giving examples of dictatorship in corporate and political life, Meyers says that, "Federal legislation is now proposed to assure workers of their right to representation by officers of their choice. But the standards of conduct we require of politicians and businessmen are so much lower that no one proposes federal legislation of anything like the same degree of stringency to assure stockholder representation, or even political party member representation, by officials of their choice."

Meyers stresses the fact that the "ethical values of a business society . . . permeate the whole fabric of the community." He notes that before the congressional investigation of labor corruption began, Pres. Beck of the Teamsters "was highly regarded by much of the community for his business-like management of the Teamsters Union. His mistake was in carrying too far his imitation of many businessmen."

### TEAMSTERS: CORRUPT AND CONTROVERSIAL

After damaging admissions by various Teamster union officials

before the McClellan Committee of the Senate in 1957, the government instituted various suits against some of them.

The trial of the then vice president James R. Hoffa and two other defendants involving the tapping of wires of Teamster officials in Detroit, came to an end with a hung jury in December, 1957. Later, June 23, 1958, after another trial on the same charge, Hoffa and his fellow defendants were acquitted by another jury. He had previously been tried and acquitted of attempting to bribe a Senate committee aide.

The government was more successful with millionaire Teamster president Dave Beck who on May 20, 1957, had been ousted as vice president and executive council member of AFL-CIO for "gross misuse of funds" and for his "actions in bringing the labor movement into disrepute." On December 14, 1957, he was convicted in Seattle of embezzling \$1,900 received from the sale of an automobile owned by the union. Earlier, Beck's son had been convicted in the same court for grand larceny in connection with the sale of two union-owned cars. He was fined \$2,000 and put on a 3-year probation. Later, the elder Beck was sentenced up to 15 years in prison. This case was appealed. He was also indicted twice for evading \$240,000 in income taxes. His trial ended February, 1959, with a conviction and he was sentenced to 5 years and a \$60,000 fine. This verdict also was appealed.

Meantime, at the Miami convention of the Teamsters in October, 1957, Hoffa had been elected President to succeed Beck. However, a group of 13 rank-and-file union members, with the aid of a court order, were able to hold up Hoffa's assumption of office till the end of January, 1958. They had agreed to a compromise settlement of their suit to bar him from the post on the ground that he had conspired with others to rig the election in his favor. The compromise provided for 3 monitors to serve as officers of the court in supervising and cleaning up the affairs of the union.

Following the Teamsters' Miami convention, which had rejected all the charges against it made by the Ethical Practices Committee of the AFL-CIO, the Teamsters were suspended from AFL-CIO by the federation's executive council. This action was upheld by the subsequent AFL-CIO convention in December, 1957.

First annual report of the court-appointed monitors urged various reforms in auditing the Teamsters' books, in the bonding of officers, and in the keeping of records in the more than 50 locals that were

under "trusteeship" of the national union. The monitors recommended that no candidate for union office could use union funds unless they were equally available to all candidates; also that every member in good standing should have the right to vote, and that no member convicted of a felony should be eligible to run for office until one year after his voting rights had been restored in his home state. The monitors also accused several local unions of misconduct.

In August, 1958, Hoffa, who had been critical of the court's monitors, named his own 3-man "anti-racketeering commission" to hear charges of corruption. Later, in December, he reported that the commission, headed by former U.S. Senator George Bender of Ohio, had given the union a clean bill of health.

Shortly after he was acquitted of the wire-tapping charge, Hoffa had announced in Washington, July 3, 1958, the formation of a Conference on Transportation Unity designed to bring all transport unions into alliance. The unions initially involved were the International Longshoremen's Assn. (Ind.), covering mainly Eastern ports of the U.S., and the National Maritime Union (AFL-CIO). The announcement of this conference was denounced in Congress and by AFL-CIO leaders.

Even though AFL-CIO ordered its affiliates to cancel any mutual assistance pacts with the Teamsters, it permitted unwritten working agreements with the union, which, in effect, maintained "day-to-day relationships" on a local basis. The AFL-CIO executive council, in its statement of August 18, 1958, ordering the barring of major links with the Teamsters, declared, "We do not believe that the general membership of the . . . Teamsters is corrupt," or "all of the local leadership." But, "we do know and it has been proven beyond any possibility of doubt that the top leadership . . . was and continues to be corrupt." On his part, Hoffa denied all the charges of the AFL-CIO and said the corruption issue was "false and phony."

**Organizing Drives:** Since their expulsion from AFL-CIO the Teamsters claim to have expanded their membership to over 1.6 million in some 900 locals. In a few cases they have given some aid to AFL-CIO unions in organizing drives. For example, they helped the Retail Clerks win a contract at Montgomery Ward & Co., and also assisted the Brewery Workers in New York City, the salaried workers of Chrysler Corp. and the newspaper workers in Philadelphia. On the other hand, although following a policy of not raiding other unions, they have recently announced organizing drives among un-

organized cement plant workers, lumber yard employees, cab drivers, stock clerks, garage workers and auto salesmen, doormen in hotels, airport clerks, state, county and municipal workers, including even firemen, policemen and hospital workers. They have also been dickering for the affiliation of independent unions of refinery workers of the Standard Oil Co. (N.J.), and their biggest recruiting drive in 1959 was aimed at Sears, Roebuck mail order house employees.

While the Teamsters undoubtedly have made progress in organizing, there is no doubt that more could have been achieved by a united labor movement. At the same time some AFL-CIO leaders were wondering whether they had achieved their purpose by expelling the Teamsters. And some began to realize the danger of court-appointed monitors. For they feared that this governmental procedure against more corrupt unions might in the future be used against AFL-CIO organizations at times and places where it would serve as a union-busting device.

### WHITE COLLARS IN LABOR FORCE

Changes in the composition of the labor force have been an important development of recent years. More U.S. workers are employed today in the trade and service industries than in those turning out commodities. There has been a long-term trend during which the trade and service industries have increased from a little over a fourth of total employment at the start of the century to over half of the total in 1955.

A more detailed study of the labor force shows that professional, clerical, sales and administrative workers have been increasing both in number and as a proportion of the nation's work force. The *Monthly Labor Review* of the Department of Labor (April, 1957) pointed out, after such a study, that from January, 1947, to January, 1957, employment in those occupations "grew from 19.8 million to 26.3 million, or from 36% to 42% of all persons in the civilian labor force."

**Change in Manufacturing Industries:** For a number of decades the proportion of production workers to total manufacturing employment changed very little. However, there has been a marked shift in the last decade. During the decade 1947-1957 the rate of growth in the number of non-production workers in manufacturing alone has been about 15 times as great as for the production workers.

So by 1957, non-production workers, or white-collar workers, constituted nearly a fourth of the total work force in manufacturing and this proportion is expected to increase. U.S. Department of Labor estimates show that the non-production workers made up about 16% of the work force in 1947, but by 1957 they represented over 23%. (In its classifications the Department of Labor puts such workers as draftsmen and engineers in the non-production group although actually they do take part in the process of production and should be so classified.)

In some durable goods industries, where new complex technological developments or the introduction of automation and related expansion has called for additional technicians, the proportion is much larger than for manufacturing as a whole. For example, the ratio of non-production workers in total employment in the ordnance industry rose from less than 15% in 1947 to 40.5% in 1957. The corresponding rises for certain other industries in this field were: machinery, 21% to 28%; electrical machinery, 23% to 30%; transportation equipment, 18% to 27%; instruments, 22% to 33%; and petroleum and coal products, 23% to 33%. In some aircraft plants that concentrate on missiles development, the number of non-production employees is now almost 50% of the company payroll. In the chemical industry the number of production workers in this decade grew by only 5% while nonproduction workers increased 75%.

Effects of automation and the various technological improvements are increasing the organizing difficulties of the unions. As Bernard Karsh points out in an article on "White-Collar Labor" in *The Nation* (Jan. 31, 1959), U.S. industry now employs almost 18 million non-supervisory white-collar workers, of which 8.5 million clerical workers comprise the largest group. The next largest group is composed of professional and technical workers—engineers, accountants, auditors and the like.

**White-Collar Organization:** In its latest *Directory of National and International Unions in the United States*, 1957, the U.S. Department of Labor estimated the number of white-collar workers in all unions as roughly 2.5 million. The members classified in this category would thus be less than 15% of all members in all the unions listed in the directory.

Slightly more than half of all these white-collar members were in 37 unions which were made up almost entirely of clerical, sales or professional workers. About three-fourths of the white collar workers

were in unions where they made up 50% or more of the membership. And about half of all the national unions covered in the survey reported no white-collar members or were believed to have none.

Most of the organized white-collar workers were in unions in the retail trade, public service, communications and transportation industry as well as in the entertainment industry. However, several of the unions made up mainly of blue-collar workers reported a considerable number of white-collar members, although they accounted for a small percentage of the total membership of these unions.

Early in 1959 the United Steelworkers was engaged in a campaign to organize between 100,000 and 125,000 office and technical workers in steel and allied industries. At that time John J. Pastin, head of the Office and Technical Department of this union, reported there were already some 45,000 such workers in the steel organizations with their own locals and contracts. In addition, he estimated there were about 75,000 hourly-paid clerical workers who were already members of production locals in the union.

Office and technical workers make up about 18 to 20% of employees eligible for union membership in the steel industry, and by 1970, it is estimated, they will comprise about 33% of the steel industry's work force.

### SKILLED WORKER PROBLEMS

Skilled tradesmen face a dubious future in the metal trades, particularly in the automobile plants. Pres. Russell Leach of the Auto Workers east side tool and die Local 155 in Detroit told a mass meeting of jobless journeymen in November, 1958, that probably 35% of the 8,000 unemployed skilled workers in the tool and die plants would not get their jobs back even in a prosperous car year.

Reasons for reduced employment of the skilled workers are many. The major automobile companies have learned how to make the same die serve successive models and related makes. They import dies from their European and Australian plants and from Japan or European jobbing shops. They are among the first to use the newest metal forming and metal cutting processes—electrical cutting, electrochemical, and even explosive. They also use metal substitutes such as plastics and steel rule inserts.

The big industrial unions, such as UAW, are naturally much more interested in their huge production-worker majorities—about 10% in

the UAW. They are also reluctant to antagonize such majorities in the locals by enforcing the constitutional rights of the skilled.

Also the no-raiding agreements with most AFL-CIO unions make it difficult for the skilled workers to win what they consider justice by threats, however insincere, of secession. And the National Labor Relations Board, at the request of both the manufacturers and the UAW leadership, has closed the bargaining door to independent unions in representation elections, at least in the big auto corporations, unless they are prepared to bargain on a national basis. Finally, there is the inexorable economic fact that as skilled wages go up it becomes profitable for the employer to replace these workers with expensive machines.

**Detroit Councils:** The skilled workers of Detroit have attempted to protect their special interests by setting up committees of unemployed organized by their skilled trades council. These committees pressed their grievances on UAW central headquarters and protested also to local municipal authorities in Detroit.

Their program included demands for a cut in the workweek of all automobile workers to 30 hours but with 40 hour pay; that unemployed benefits be extended for the full duration of unemployment; that welfare aid be increased; that social security benefits be increased and the retirement age lowered; that overtime in the auto plants be suspended while those plants have laid-off workers; that public works projects, federal, state and city, be initiated or expanded; and that a moratorium be proclaimed on debts of the unemployed till they are again employed.

Activity of the skilled councils was not relished by the UAW executive board. In February, 1959, it liquidated the 38 skilled trades councils and subcouncils in the UAW and centralized the authority for their operations at international union headquarters. It also killed the Detroit council's new paper, *UAW Tradesman* (successor to the 18-year old *Tool and Die Engineering News*), which had published one issue. An administrator was put in charge of the council office.

## WOMEN UNIONISTS

Some 3,400,000 women were members of national and international unions in 1956, the Bureau of Labor Statistics reported in its 1957 directory of labor unions. This represented an increase of about 400,000 during the two preceding years, but was still less than one-fifth of all

trade union members. Of all women in the labor force about one in seven (14%) are union members.

AFL-CIO unions having 50,000 or more women members include: Automobile, 175,000; Bakery, 53,300; Building Service, 69,000; Clothing, 288,800; Communications Workers, 155,400; Electrical (IUE), 159,000; Electrical Workers (IBEW), 202,500; Garment, Ladies, 338,100; Hotel, 176,400; Laundry, 85,500; Machinists, 95,000; Meat, 62,000; Retail Clerks, 150,000; Retail, Wholesale, 58,800; Teamsters, 150,500 (many members of the Teamsters Union on the West Coast are food and cannery workers); Textile, United, 52,000; Textile Workers, 81,100. Among unaffiliated unions, Electrical Workers (UE) has 25,000 women members, and the Telephone Unions (Ind.), 60,000.

Other unions having more than 25,000 women members include Bookbinders, 35,000; Garment, United, 32,000; Packinghouse, 27,000; Paper, 33,000; Railway Clerks, 42,900; Rubber, 35,600; Shoe, 30,000; State, County & Municipal, 37,500; Teachers, 30,000; Tobacco, 26,000. For two unions, Steelworkers and Office Employees, the number of women members is "not available, but believed to be significant," the Women's Bureau comments.

The AFL-CIO Auxiliaries was established in December, 1957, by merger of the former, separate AFL and CIO women's auxiliaries. Its 50,000 members are women from the families of men in trade unions affiliated with AFL-CIO.

## NEGROES IN UNIONS

Less than 2 million Negro workers were members of trade unions in the U.S. at the 1958 year-end, it was estimated by Herbert Hill, labor secretary of the National Association for the Advancement of Colored People. Although AFL-CIO is officially on record for a policy of full and equal rights for all, yet in practice many unions have failed to carry out the policy.

A model clause on Fair Employment Practice, included in some union contracts, reads: "The company agrees that it will not discriminate against any applicant for employment or any of the employees in their wages, training, upgrading, promotion, transfer, lay-off, discipline or otherwise because of race, creed, color, national origin, political affiliation, sex or marital status." But in 1958, the Auto Workers dropped this FEPC clause in its contracts, claiming that it was a "local matter" to be handled by the plant committee.

Referring to AFL-CIO's policy and practice, the NAACP labor secretary told the 1958 convention of the Furniture Workers: "We are filled with dismay at the lack of enforcement" of the civil rights provisions in the AFL-CIO constitution. And in a report by Hill, January 5, 1959, the NAACP charged that "because of the 'lily white' exclusion policies of Local 26, of the Brotherhood of Electrical Workers and other building trades unions in Washington, D. C. . . Negro workers are denied job opportunities in major public and private construction installations in the nation's capital."

Some unions, the report said, that have eliminated racial bars from their constitutions still exclude Negroes by "tacit consent." Others enter into collective bargaining contracts limiting Negroes to menial jobs or depriving them of the same seniority and promotion rights white employees enjoy. In the South, some labor leaders "are permitting racist elements to gain control of local union operations. . . . In many instances union shop stewards and business agents openly solicit funds and support for the White Citizens Council." Union bias in construction, railroads and other fields, the report said, is a factor in keeping unemployment among Negroes more than double the national rate. The NAACP announced it would go to court with 5 specific cases (in Ill., Mo., and Okla.) unless the AFL-CIO does more to implement its program against race bias.

Some progress toward integration has been reported, however, in a few local unions in southern and borderline states. Since one-half of all unorganized workers are in the South, these instances of integration are of special significance. At General Motors' division in St. Louis, for example, the Auto Workers until the 1957 year-end had accepted 2 separate seniority lists, one for Negro and one for white workers. Negroes held seniority only within the non-production departments in which they were employed as porters, sweepers and material handlers. This seniority policy has now been changed at the Fisher Body plant in St. Louis to permit Negro workers employed in the sanitation department or as cleaners to transfer into production classifications.

For 6 years from 1951 through 1957, no Negro had been admitted to the apprentice program conducted jointly by the Lockheed Aircraft Co. in Georgia and the Machinists union. Negroes were thus barred from on-the-job training and denied seniority promotions to the more skilled and better paying jobs. After Herbert Hill had conferred with the Machinists, the union agreed to support NAACP's efforts on behalf

of Negro workers at Lockheed, and they were later admitted to about 40 different job classifications. Steps were initiated toward eliminating the racially separate lodges in the Machinists, the NAACP reported.

Not only in the South but also in northern states, Negro workers have had to struggle to win union membership. In Chicago, in mid-1958, the Meat Cutters for the first time agreed to the hiring of Negro butchers by the Great Atlantic & Pacific Co. Many Negro workers are members of the Hod Carriers, but have not yet been accepted as union officials or business agents. Negroes in the Bricklayers union in the Chicago area during the 1957-58 recession were forced to work for less than union rates because union officials did not take effective action to protect them.

At International Harvester plants in Chicago, Leonard Carney, a Negro member of the Auto Workers, was elected early in 1958 as president of Local 1308. He was the 5th Negro to be elected as president of a Harvester local in the U.S. In Illinois, Charles Hayes, international representative of the Packinghouse Workers, was elected vice-president of the merged state AFL-CIO, and in Louisiana, E. A. Bryant was elected a vice-president of the merged state labor federation.

Negro trade unionists, headed by A. Philip Randolph, president of the Sleeping Car Porters and a vice-president of the AFL-CIO, initiated the Youth March of some 10,000 young people to Washington on October 25, 1958, in support of school integration.

### LABOR DAILIES SUSPEND

American trade unions are popularly regarded as very rich and powerful today. Many have large real estate and stock and bond holdings as well as sumptuous headquarters and offices. But they have not been able to support even one daily newspaper. After five and a half years of difficult publication, *Labor's Daily* suspended in March, 1958. This paper had been started in Charleston, West Virginia, by the Typographical Union, September 16, 1952, and was the outgrowth of local strikes of its members against unfair newspaper publishers. Later it was moved to a plant at Bettendorf, Iowa.

Its circulation, however, was only about 10,000, of which 7,000 were paid by the union itself and mailed to its shop chairmen all over the country. When efforts were made during the last year of its life to obtain support from AFL-CIO unions, only four small unions were willing to become co-owners and two others to take bloc subscriptions.

In a final effort not even \$50,000 could be raised to save the paper, which carried no advertising.

The policy of the paper had been one of independence and neutrality toward the various jurisdictional and other claims of the unions. Its main object was to help in the organization of the unorganized and to tell the truth about labor so frequently misrepresented in the commercial press.

**Daily Worker's Demise:** The leading left-wing labor paper, the *Daily Worker*, of New York, that had played an important part in the U.S. labor and progressive movement, ceased publication on January 13, 1958, on the 34th anniversary of its founding in Chicago. A statement by the staff recounted the record of the paper in the fight for militant and clean trade unionism, for unemployment and social insurance, for collective security, for unconditional equality of the Negro people, and in the struggle against McCarthyism and for the Bill of Rights. *The Worker*, a weekly publication, continued to be published with part of the staff of the daily paper.

Nearly a year earlier, the *People's World*, west coast progressive daily paper, serving the interests of the labor movement's rank and file in that area, had been forced to suspend publication because it lacked support. Its last issue appeared on February 1, 1957, but it changed to a weekly publication beginning with February 16, 1957.

## ANTI-UNION ACTIVITIES

Behind the pleasant words about cooperation between management and labor which are the stock in trade of many U.S. labor leaders, the class struggle continues in many forms. The big business attack on trade union rights is directed by organizations such as the National Association of Manufacturers and the Chamber of Commerce of the U.S. and scores of industrial and trade associations. The attacks are directed through open propaganda in the press and other media of communication, through the organization of new types of anti-union groups, and through legislation passed at the federal or state level.

Although the tactics used by employers in fighting unions have become generally more refined and less violent in recent years as the result of labor's gains in collective bargaining, there is much evidence that some of the old methods of spying on labor, blacklisting of active unionists, and strike-breaking are still in use.

Even the U.S. Senate's McClellan Committee, which has been in-

terested primarily in smearing various "improper activities" in a few unions, could not avoid some investigation of the anti-union practices used by certain big employers in recent years.

**Labor Relations Associates:** This Senate committee was forced to turn the spotlight on a Chicago agency called Labor Relations Associates, headed by Nathan W. Shefferman, which represented some 400 client companies throughout the United States. One of scores of such outfits operating all over the country, this agency, the committee found, showed a gross income of nearly \$2.5 million during the seven-year period 1949 through 1955. Among the companies for which it worked were Victor Adding Machine Co., American Express Co., Whirlpool Corp., Mennen Co., Schaefer Brewing Co., United Parcel Service, All State Insurance Co., S. S. Kresge Co., and some of the largest department stores in the country such as Nieman-Marcus Co., Houston, Texas, and Abraham & Straus, the Lerner Shops, Altman's, Bloomingdale's and Macy's in New York City.

Sears, Roebuck & Co. alone paid nearly a quarter of a million dollars to this outfit in its campaign to prevent the organization of its workers by the Retail Clerks Union (AFL-CIO). In fact, the Senate committee's *Interim Report* stated that Shefferman was originally set up in business "with the aid, advice and financial assistance of Sears, Roebuck & Co."

The Senate committee reported on the techniques used by Shefferman's agency, for example, in the case of the Morton Frozen Food Co. at Webster City, Iowa. It helped the company prepare anti-union leaflets during an organizing drive and, through its spy system, recommended which employees were to be fired or transferred to inferior jobs. The company paid the agency about \$12,500 to keep the union out of its plants and thereby, the Senate report estimated, saved roughly \$170,000 through not having to pay the union scale of wages prevailing in unionized establishments. In another plant of the same company, after it became a division of Continental Baking Co. of New York, the agency arranged for a "sweetheart" contract with the Bakery Union which provided scarcely any of the conditions prevailing in other plants in the same industry.

Even Senator McClellan himself, chairman of the committee, admitted in a statement November 5, 1957: "The activities disclosed before this committee reflect a great discredit on some business firms in this country. They cannot adopt the posture, as did some of the firms appearing here, that all this was the doing of Mr. Shefferman

and his agents. . . . It was management who paid the bills for the activities of Nathan Shefferman, and it was management that utilized the services of Nathan Shefferman with no compunctions or regrets until the revelations in recent months. They were aware of what they were doing and how their money was being utilized." (N.Y. Times, Nov. 7, 1957. Quoted by Leo Huberman in *Monthly Review*, July-Aug. 1958.)

These union-wrecking agencies often operate with the ostensible objective of throwing the "Reds," if any, out of the factories, but actually the real purpose is to block unions of any kind. And if they are unable to destroy the union or prevent its organization of a plant they may put their spies or operatives into the union for the purpose of weakening it in its bargaining position. It may even try to seize control of the union under the pretext of anti-Communism.

**American Security Council:** Another organization of a slightly different character, established to blacklist progressive unionists, is the American Security Council with headquarters in Chicago. It is supported by leading corporations and anti-labor employers associations such as the Illinois Manufacturers Assn., the Employers Assn. of Chicago and the Illinois State Chamber of Commerce. Included among its members are the U.S. Steel Corp., Illinois Central Railroad, Belden Mfg. Co., Motorola Co., Acme Steel Corp., Kraft Foods, Federated Department Stores, Marshall Field & Co., and the Stewart Warner Corp. Gen. Robert E. Wood, retired chairman of Sears, Roebuck & Co., is one of its chief sponsors and promoters.

The American Security Council has set up a blacklist file of more than a million names of "subversives" which it uses to provide its corporate members with "loyalty checks" on applicants for jobs or on workers already employed in their plants. This blacklist is operated through a subsidiary, "Fidelfax", with offices in major industrial cities. Each office of "Fidelfax" is headed by a former agent of the Federal Bureau of Investigation.

In its letters to prospective members, the ASC stressed the fact that the FBI is required by law to maintain its files on "subversive activities" as confidential. "Industry therefore organized the American Security Council to meet its need for factual information and guidance regarding such activities." (Cited by Sam Kushner in "The Blacklist Link to The Open Shop Drive," *The Worker*, Aug. 17, 1958.) The close link with the FBI through its former operatives left the implication that FBI "facts" might be available to those who joined the ASC.

**TAFT-HARTLEY RECORD**

Use of the Taft-Hartley Act for blocking attempts at unionization and for destroying unions where they exist has been stepped up in intensity under the influence of a National Labor Relations Board packed with employer-biased spokesmen appointed by Eisenhower. When Abe Murdock's term expired in December, 1957, he was replaced by John H. Fanning, an industrial relations man from the Pentagon, and labor lost its last liberal defender on the Board. During the past two years none of the amendments to the Act promised to labor have been enacted, but the Board has autocratically embarked on a career of administrative law-making of the most reactionary and destructive character.

Bias of the new Eisenhower Board is clearly shown in its continuous reversal of previous precedents, resulting in liberalized rules for employers and tightened rules for unions. Under its "free speech" doctrine the Board has permitted employers almost unlimited freedom to threaten and intimidate workers who are thinking of organizing. It has made grossly unfair anti-union rulings which the courts later unanimously threw out, such as the Banta case, in which it held some tugboat organizers on the Mississippi guilty of "coercing" a squad of armed gunmen who shot one of them; the BVD case in Pascagoula, Miss., in which it held some Ladies' Garment Workers pickets guilty of violence because they did not publicly disassociate themselves from the acts of unknown outsiders; and the Modern Linen case in Rutland, Vt., in which it refused to reinstate a foreman who had lost his job for testifying against the company under subpoena from the Board.

**Employers' Tactics:** Thus encouraged by the Board, employers, especially in the South, have developed a "defense in depth" against unionization. First step is a campaign of intimidation, including threats of discharge, physical violence, removal of plant. Second is refusal to consent to a representation election, quibbling over dates, who shall be included in the bargaining unit, or any other technical detail which can be thrown in to cause delay. Third, if the Board orders an election, come floods of anti-union letters, personnel harangues in the company office or at the workers' homes, firings without warning for alleged faulty work or minor breaches of company rules, and often partial dismantling of the plant. Fourth, if the union wins the election, the company may avoid bargaining in good faith by offering an agreement which it knows is not acceptable, or even

refusing to negotiate at all until ordered to do so by a federal court, which may take years.

**Votes for Strikebreakers:** From the standpoint of established unions, the most menacing aspect of the law at present is Section 9 (c) (3), which states that "Employees on strike who are not entitled to reinstatement shall not be entitled to vote" in representation elections. After a year's strike of the United Rubber Workers, during which the firm filled its shop with strikebreakers, the O'Sullivan Rubber Co. at Winchester, Va., in April, 1957, petitioned the Board for a new election and decertification of the union. With previous union members barred because their places had been taken, and the strikebreakers allowed to vote, the union lost and was destroyed.

**Picketing Restrictions:** A severe blow at picketing was struck by the Board in the case of Curtis Brothers, a Washington, D. C., furniture store. The Teamsters continued to picket although they had lost an election there; the Board reversed previous decisions and for the first time ruled that it was a violation for a union to picket for exclusive recognition unless it represented a majority in the establishment. The Board also held the picketing to be illegal in that its object was to "coerce" not only the employer, but also the non-union employees, as they "cannot escape a share of the damage caused to the business." In a dissent, Murdock declared the majority's definition of illegal coercion to be "so extreme as to render all picketing unlawful."

**Renewed Use of Injunction:** Turning the clock back for decades, the Board is now preparing renewed use of the injunction as a strike-breaking weapon. A rarely used clause in the law empowers the Board to seek injunctions against persons guilty of unfair labor practices. It has already used this clause to break a strike of the Mine Workers against Westclox; it attempted the same thing against the Retail Clerks who were picketing a Montgomery Ward store in Houston. Under its new interpretation in the Curtis case that picketing by a minority for recognition is an unfair labor practice, the Board is in a position, where an employer has recruited a majority of strikebreakers, to go into court to enjoin the picketing, defeat the strikers, and kill the union.

## "RIGHT-TO-WORK" LAWS

So-called "right-to-work" laws, that have now been passed in 19

states, not only ban the "closed shop", under which the employer may hire only members of the contracting union. They also ban the "union shop", where the employee not a member of the union is required to join after a period of employment. The national Taft-Hartley Act (see above) prohibits the closed shop but it permits the union-shop type of agreement except in those states where such agreement is forbidden by state law. Hence the importance organized labor has attached to the recent struggles to prevent such state laws from being passed. For they also prohibit "maintenance of membership", which requires that those persons who are members of unions at the beginning of a contract period remain so during the life of the contract.

During 1957, "right-to-work" measures were before the legislatures of 15 states, divided about equally between bills to adopt such laws, or to submit such proposals to a referendum vote, or to repeal existing laws. Only Indiana passed a law and Kansas voted to submit the proposal to the voters. In 6 states attempts to repeal existing laws were defeated.

Voters of 6 states balloted on right-to-work laws in the 1958 elections. They were defeated in five states—California, Colorado, Idaho, Ohio and Washington—but in Kansas the measure was adopted by a ratio of about 4 to 3.

During 1958, these measures were before the legislatures of four other states—Kentucky, Louisiana, Maryland and Rhode Island, but in all these states they were defeated. In Massachusetts a resolution was passed memorializing Congress against right-to-work legislation.

The 19 states that now have right-to-work laws of general application are as follows: Alabama, Arizona, Arkansas, Florida, Georgia, Indiana, Iowa, Kansas, Mississippi, Nebraska, Nevada, N. Carolina, N. Dakota, S. Carolina, S. Dakota, Tennessee, Texas, Utah and Virginia. Louisiana has such a law but it is limited to agricultural and certain processing workers.

Summarizing main reasons for the defeat of this measure in the 1958 elections, the railroad union organ *Labor* (Nov. 22, 1958) said that "Practically every analysis showed most voters realized the anti-union measure was being pushed and heavily financed by Chambers of Commerce, the National Association of Manufacturers and other employer groups, with help in many areas from reactionary leaders of the Farm Bureau." Also that many individual corporations, such as General Electric Co., were openly identified as supporters. "Thus, it became clear that the 'right-to-work' scheme, far from being a spon-

taneous movement of workers for 'freedom' was an employer-sponsored proposition aimed at weakening organized labor." In Kansas, the only state where the employers were successful, they did a better job of concealing their identity. They spent more money in relation to total population than in any of the other five states.

The phrase, "right-to-work", as the Longshoremen's and Warehousemen's Research Dept. pointed out in a memo (June, 1958), is "clever and catchy. Proponents of such legislation hope by use of the phrase to fool people into supporting their proposals." It notes also that, "The employer who argues for the 'right-to-work' is really contending that the employer alone should have the right to set conditions of work without participation of workers through their union. For this reason we see the curious spectacle of certain employers, who have opposed every forward advance of workers, now attempting to emerge as the champions of the individual 'right to work'."

## STRIKES IN 1957-58

The Department of Labor reported there were 3,673 strikes in the U.S. in 1957, involving about 1,390,000 workers, or 3.1% of the total number employed; this compared with 3,825 in 1956, involving about 1,900,000 workers. Only two postwar years—1948 with 3,419 and 1954 with 3,468—had shown a smaller number of strikes than 1957.

The year 1957 also had the smallest totals of workers idled by strikes and man-days involved (16.5 million) and the smallest percentage of strikes in relation to total employees reported for any year in the postwar period. But the man-days per worker involved (11.7) were a little more than those in 1955 (10.7) and in 1951 (10.3).

Thirteen of the new strikes in 1957 each affected 10,000 or more workers. These included strikes in some one industry, or a corporation with employees in widely scattered areas. The largest number were involved in a nationwide strike of 125,000, led by Communications Workers of America, at all plants of the Western Electric Co. Lasting 4 days from September 16, it resulted in a 2-year contract with wage gains of 6¢ to 12¢ an hour, effective January, 1958; an additional 2¢ an hour for installers; and an increase in transfer allowances and expenses.

Longest of the 1957 strikes was in the cement industry, starting May 15 and lasting 94 days. Some 16,000 workers in 21 states, led by Cement, Lime & Gypsum Workers, gained 1-year contracts, with

wage increases averaging 13.6¢ an hour, of which 10¢ dated back to May 1, 1957; increase in shift differentials; time and 1/10 for Sunday work; liberalized vacation benefits for long service; and double time for more than 12 hours' consecutive work.

About 35,000 longshoremen, members of Longshoremen's Association (Ind.) from Maine to Virginia, went out February 12, 1957, in a dispute which had started in November, 1956. In a "master" contract, signed February 17, workers won increases of 18¢ an hour from October 1, 1956; 7¢ as of October, 1957 and again in October, 1958; an escalator clause tied to the consumer price index, and an increase of 5¢ per man-hour in employer contributions toward welfare benefits.

Some 14,000 members of the Rubber Workers, employed by B. F. Goodrich Co. in 8 states, were out for 15 days in April. They won a 2-year agreement with increased night shift differentials, liberalized vacation provisions, and other gains. About 10,000 metal trade workers in Seattle, Wash., on strike for 23 days in April, won wage rate increases of 13¢ to 25¢ an hour.

**Fewer in 1958:** There were 3,400 strikes reported for 1958 by the U.S. Department of Labor, somewhat fewer than in the preceding year. These involved about 2,200,000 workers for a total of 23,500,000 man-days—indicating that strikes in 1958 lasted somewhat longer than in 1957. The number of strikes in 1958 was the lowest of any year since World War II.

A good many collective bargaining agreements for wage increases were signed in 1958 without benefit of strikes. These included contracts in such industries as bituminous coal, telephone, rubber, aircraft, maritime, and West Coast longshore.

Among the more significant strikes in 1958 were ten, each involving more than 10,000 workers. In the first nationwide strike in the history of the millinery industry, some 22,000 of Hatters, Cap & Millinery Workers were out from January 9 to 13, 1958. By agreement they gained pay increases of \$5 for week workers and 5% for piece workers on a 35-hour week; 2% increase in employer contributions to vacation funds and to retirement and welfare plans. In areas where a 40-hour week had prevailed, hours were cut to 37½ with no loss in pay. In July, about 8,000 cap workers of the same union who had been on strike in 6 states, signed agreements for increases of \$3 to \$4 weekly for time workers and 5% for piece workers.

About 105,000 members of Ladies Garment Workers in more than 2,280 shops in New York and 6 other states from Maine to Maryland

were on strike for 5 days in March. They demanded a general wage rise of \$10 a week and extra overtime and holiday pay for piece workers, as already granted for time workers; and elimination of pay differentials within the area. Under a general pact signed in mid-April, gains included a pay rise of 8%—the first in 5 years—overtime pay after 7 hours, holiday pay for piece workers and establishment of a severance pay fund.

The 4½-year old strike of Auto Workers at the Kohler Co. in Wisconsin, significant as the longest strike in U.S. labor history, was the subject of hearings in February and March before the McClellan committee of the U.S. Senate. This strike began April 5, 1954, for a pay raise of 20¢ an hour and a union shop. Company refused both. Token picket line was still maintained at plant gates during 1958.

After a month-long strike at Campbell Soup Co. plants in Camden, N. J., about 4,500 of Packinghouse Workers signed contract early in April with a wage gain of 8¢ an hour. Some 30,000 construction workers in Cleveland area were on strike from early May to June 17 when they won an immediate 9¢-an-hour wage boost, plus 6¢ more in January, 1959; 10¢ more in May, 1959, and 12¢ more in May, 1960.

In Hawaii, the Longshoremen & Warehousemen, after a 126-day strike ending June 6, signed a 3-year contract covering 13,500 workers for an immediate 16¢ an hour gain and 7¢ more in July, 1960, with overtime pay after 40 hours a week.

In September the number of workers on strike rose to about 500,000, highest monthly total since 1949. About one-third of these were auto workers. Some 12,000 of the Auto Workers at Caterpillar Tractor plants in Illinois were on strike from October 11 to November 30. They won general wage increases ranging from 8¢ to 17¢ an hour in 1958; increases of 6¢ and 7¢ an hour in October, 1959 and 1960; and increased vacation and pension benefits.

Some 8,000 salaried office workers of Chrysler Corp., not satisfied with terms of the general automobile settlement, signed in October, struck for almost a week in mid-November. Writing in *The Nation* (Jan. 3, 1959) B. J. Widick called this Chrysler shut-down "the most significant strike of the year," because it involved such a large number of non-production workers.

About 6,200 of the Auto Workers at Studebaker-Packard plants in South Bend, Ind., on strike from November 24 for 4 days, won 7¢ an hour in general wage increases and 8¢ an hour additional for skilled workers. Of the 7¢, 6¢ was effective December 1, 1958, and

1¢ was a cost-of-living adjustment, retroactive to September 1, 1958.

After an 18-day strike at Chrysler Corp. plants, the Auto Workers, December 19, 1958, reached a "general understanding" with the company on work standards disputes. Union accepted time studies while company agreed to union's right to challenge "fairness" of work speed. Union settled for 4 daily rest periods of 5 minutes each for 400 workers resulting in an average cut of one-third in their relief and fatigue time. Strike starting at Dodge plant in Detroit created shortages that closed all Chrysler assembly plants, involving nearly 44,000 workers.

Four of country's 5 biggest domestic airlines were on strike during October, November and December, 1958. Settlements in 3-year contracts established a standard wage of \$2.95 an hour for ground crews. Capital Airlines was closed down for 37 days (ending November 23) by a walkout of 2,500 mechanics and other ground service workers of Machinists union. Agreement provided raises of 5% retroactive to October 1, 1957,  $7\frac{1}{2}\%$  for 1958; and 3% on October 1, 1959. Mechanics were to receive 41¢ an hour more during a 3-year period. Union also won a severance pay plan and more holidays. At Trans-World Airlines, 6,700 ground crew members were out for 17 days to December 8, winning wage increases and a severance pay plan. At Eastern Airlines 550 flight engineers struck November 24 and Machinists called a sympathy strike of its 5,380 members. Eastern signed agreements at the year-end with Flight Engineers and Air Line Pilots providing that a 3rd pilot crew member shall be on all jet aircraft, besides a flight engineer. At American Airlines, some 1,500 pilots struck December 20 in a walkout ending January 9, 1959, with a 3-year contract providing for a maximum of 80 hours a month flying time for pilots.

About 2,500 members of Newspaper Deliverers' Union in New York were on strike for 19 days in December against Newspaper Publishers Association. Most newspapers locked out their other employees, who were furloughed without pay. Deliverers on December 28, 1958, accepted a contract providing for a cut in bundle weight from 53 to 50 pounds; an increase of \$3.55 in weekly pay in the first year; 1 additional paid holiday; and \$1.75 in the second year, plus 3 days paid sick leave. They did not win their demand for a shorter workweek.

## V. CIVIL LIBERTIES AND RIGHTS

### TAFT-HARTLEY AFFIDAVITS

In a far-reaching decision, the U.S. Supreme Court June 3, 1957, ruled (6 to 1) that the government must produce Federal Bureau of Investigation reports, used as a basis in oral testimony of witnesses, or dismiss the cases. The ruling granted a new trial to Clinton E. Jencks, former president of Mine, Mill & Smelter Workers, Local 890, in New Mexico, who had been convicted in 1954 of filing a false non-Communist oath under the Taft-Hartley Act.

As a result of this high court decision, the U.S. District Court in Texas on December 31, 1957, dismissed the government's case against Jencks. The Justice Department had asked for dismissal because "on the available evidence, the government cannot successfully retry this defendant and therefore is reluctantly constrained to make this motion to dismiss the indictment pending against him."

The real reason behind the motion to dismiss, the *New York Times* pointed out June 4, "was reluctance of the Justice Department to compel the FBI to open its confidential files to defense attorneys." Yet it is an old and fundamental rule of Anglo-Saxon law that each side in any case has a right to relevant information in the possession of the other. The Jencks decision has resulted in reversal of a number of other cases in the field of civil liberties. (See Subversive Activities Control Board case against the Communist Party.)

**Travis Conviction:** Maurice E. Travis, former secretary-treasurer of the Mine, Mill & Smelter Workers, was convicted a second time in February, 1958, on charges of signing a false non-Communist oath under the Taft-Hartley Act. This second trial, held in Denver, Colo., lasted 18 days. He was sentenced on March 28, 1958, to 8 years in prison and fined \$4,000. He has again appealed.

Travis's first conviction was reversed in December, 1956, when the U.S. Supreme Court in a unanimous decision ruled that the National Labor Relations Board had no right to declare Mine-Mill not in compliance with the act. The U.S. Circuit Court of Appeals in Denver,

July 15, 1957, had granted him a new trial, ruling that questions asked him at his first trial, about invoking the 5th Amendment at a Senate hearing, were improper.

**Ohio Seven:** In Cleveland, seven persons were convicted January 29, 1958, by a federal jury of "conspiracy" to violate the Taft-Hartley Act's clause on non-Communist affidavits. The seven were sentenced February 19, 1958, to 18 months in prison and fines of \$2,500 each. All appealed to the higher courts.

Attorneys for the seven defendants, October 16, 1958, filed a motion for a new trial in the U.S. District Court on the basis of new evidence. The motion revealed that Fred L. Gardner, informer and chief witness for the prosecution, had perjured himself at the trial when he denied having ever served in the U.S. Army. Records show he had served twice in the Army, been court-martialed and sentenced as a deserter. But defense motions for a new trial were rejected. As of March, 1959, the case was before U.S. Circuit Court of Appeals.

Those accused of signing false affidavits were Marie Reed Haug, former business agent for Local 735, Electrical Workers (UE), and Fred Haug, former president of Mine, Mill & Smelter Workers, Local 705. Those convicted of "conspiring" with the two were Eric J. Reinthaler, Hyman Lumer, James F. West, Sam Reed, and Andrew Remes. An 8th defendant, Edward J. Chaka, had been freed in January, 1958, on the ground of insufficient evidence. Marie Haug, a leading woman labor leader, testified that she had resigned from the Communist Party a full year before she signed her first Taft-Hartley affidavit in 1950.

The government's interest in this case centered on the "conspiracy" charges in a new line of attack against active trade unionists, started after the Supreme Court had begun to overrule the Justice Department and dismiss the Smith Act cases.

**Other Union Cases:** The trial of 14 leaders of the Mine-Mill union was finally set for January 19, 1959, two years after their indictment. In November, 1956, the 14 were indicted for allegedly filing false non-Communist affidavits under the Taft-Hartley Act.

John J. Killian, former executive board member of an Electrical Workers (UE) local in Wisconsin, was twice sentenced to 5 years in jail for allegedly violating the non-Communist affidavit section of the Taft-Hartley Act. His first conviction was reversed on the basis of the Jencks decision, noted above, but in May, 1958, he was again tried and convicted and has again appealed.

Melvin Hupman, former leader in Electrical Workers (UE) in Ohio,

served nearly 4 years of a 5-year sentence on a charge of filing a false non-Communist affidavit. On April 18, 1958, he was released on parole. Tried in January, 1954, Hupman was found guilty on testimony of two paid government witnesses. The government could not prove that he had even signed a non-Communist affidavit.

Al Fisher, former officer of the Woodworkers of America in Seattle, Wash. was sentenced in January, 1955, and again in March, 1957, to 5 years in prison for allegedly swearing falsely to a Taft-Hartley non-Communist oath. His appeal had been first overturned and later upheld by a U.S. Court of Appeals. The U.S. Supreme Court in November, 1958, and again in January, 1959, refused to hear the appeal. Early in 1959 Fisher started to serve the prison term.

Hugh Bryson, president of the former Marine Cooks union, was convicted under the Taft-Hartley law and is now serving a 5-year sentence. The Supreme Court refused to hear his case.

## CONTEMPT DECISIONS

**Watkins Case:** U.S. Supreme Court in a 6-to-1 decision, June 17, 1957, reversed the conviction of John T. Watkins, former organizer for the Automobile Workers in Illinois, for contempt of Congress. Called before the House Committee on Un-American Activities, April 29, 1954, Watkins had refused to testify concerning some of his former associates or to identify them as Communists. He had claimed the right to refuse under the 1st Amendment guaranteeing freedom of speech. The Supreme Court remanded the case and instructed the District Court to dismiss the indictment.

Chief Justice Warren wrote the majority opinion, stating that every investigation "must be related to and in furtherance of a legitimate task of the Congress. . . . There is no congressional power to expose for the sake of exposure. . . . The 'vice of vagueness' must be avoided here as in all other crimes. . . . Clearly, an investigation is subject to the command that the Congress shall make no law abridging freedom of speech or press or assembly. . . . The First Amendment may be invoked against infringement of the protected freedoms by law or by law-making."

By its ruling the high court in effect limited the scope of congressional inquiry by requiring Congress to be more precise in defining the authority of its investigative committees. The decision restricts the power of Congress to subject witnesses to "fishing expeditions" that are

vaguely defined, and provides safeguards for the persons investigated. Yet, despite this clear decision, there were still outstanding at the end of 1958 a number of contempt of Congress cases which asserted the First Amendment principle. These were in various stages of appeal from lower courts which had ruled that the Watkins decision did not apply. A few of these are described below.

On the basis of the Watkins decision some other contempt cases have been dismissed. (See below) If it had been made ten years before it would have saved many good, conscientious persons from prison sentences, including the Hollywood Ten, the members of the Joint Anti-Fascist Refugee Committee board, leaders of the National Council of American Soviet Friendship, the Civil Rights Congress, and others.

Oleta O'Connor Yates was sentenced January 28, 1958, to a year in prison on charges of contempt of court. She had been originally sentenced at the time of the California Smith Act trial in 1952 but appealed the conviction. U.S. Supreme Court ruled in June, 1957, that 11 separate questions she had refused to answer constituted a single contempt citation and had sent the case back to the lower court for reconsideration. On her second appeal the high court ruled 6 to 3 on May 5, 1958, that the 7 months she had already served was sufficient and the one-year contempt sentence was set aside.

**Convictions Upheld:** The U.S. Court of Appeals in Washington, D. C., January 19, 1958, by a close 5-to-4 vote upheld the contempt conviction of Lloyd Barenblatt, former psychology instructor at Vassar College. Yet in June, 1957, the court had reversed this conviction and sent it back to the Appeals court "in the light of the Watkins decision." (See above.)

Barenblatt had been sentenced to six months in prison and a \$250 fine. He had refused in 1954 on the basis of the 1st Amendment to answer five questions of the House Un-American committee. In upholding the conviction, the Court of Appeals claimed that Barenblatt had been specifically informed of the committee's purposes, so the case was unlike Watkins'.

However, Judge Edgerton of the Court of Appeals, in his dissent in this case, said that "no one could reasonably deduce" from the committee's authorizing resolution what it was supposed to investigate. The American Civil Liberties Union supported Barenblatt's second appeal to the U.S. Supreme Court, which again heard the case in November, 1958.

**Convictions Reversed:** The contempt conviction of Arthur Miller,

playwright and Pulitzer Prize winner, was reversed August 7, 1958, by the U.S. Court of Appeals in the District of Columbia. In acquitting him the court ruled unanimously that the committee on Un-American Activities in 1956 had not sufficiently warned the playwright of the contempt risk. He had been indicted in February, 1957, for contempt of Congress.

On the basis of the Watkins decision (see above), Dr. Otto Nathan on November 22, 1957, was acquitted of contempt of Congress. Judge Edward M. Curran of the Federal District Court in Washington, D. C., said he did not "subscribe to the judgment of the Supreme Court" but was bound to follow it. He "reluctantly" granted the motion for acquittal. Dr. Nathan, executor of Albert Einstein's estate, had been convicted April 30, 1957, of contempt because he had refused (in June, 1956) to answer questions of the House Un-American committee in relation to his political views.

The Watkins decision was cited also by the U.S. Court of Appeals in Washington, D.C., on June 28, 1957, in reversing the contempt conviction of Marcus Singer, professor of Zoology at Cornell University. Singer had been indicted November 2, 1954, for refusing to name former associates as Communists. The Court of Appeals in a 2-to-1 decision in April, 1957, had upheld the conviction.

The U.S. Supreme Court, December 15, 1958, unanimously reversed the conviction of Abram Flaxer for contempt of Congress. In 1951, Flaxer, then head of the United Public Workers (since disbanded), refused under the 1st Amendment to hand over the union's membership lists to the Senate Internal Security subcommittee.

He was sentenced to 2 months in prison and fined \$1,000. The U.S. Court of Appeals had twice upheld his conviction.

**Gojack's Appeal:** John Thomas Gojack, former president of District 9, Electrical Workers (UE), in 1958 appealed his conviction to the higher courts. He had been sentenced in June, 1956, to nine months in prison and a \$200 fine for contempt of Congress because he refused under the 1st Amendment to answer questions of the Un-American committee on his political views. At the 1958 year-end, his case was in the U.S. Supreme Court, pending decision in the Barenblatt case.

This case is considered an effective test for applying the Watkins decision. Government lawyers at the trial in the District Court conceded that the Un-American committee's purpose in calling Gojack was to "expose" him in his community. The committee, then headed by Rep. Francis E. Walter (D., Pa.), had moved into the Indiana-Michigan

industrial area in February, 1955, just before the Electrical Workers (UE) were starting collective bargaining elections.

**Lawyers' Cases:** The U.S. Supreme Court, May 19, 1958, in a 6 to 2 decision, reversed the conviction of Harry Sacher, New York attorney, for contempt of Congress. He had pleaded the 1st Amendment, not the 5th, in refusing to answer questions of the Senate Internal Security subcommittee in April, 1955, about his own political associations. He had, however, answered freely all the committee's questions on the recantation of Harvey Matusow, which was the subject of the hearing.

Abraham J. Isserman, New York attorney, and former member of the Board of the American Civil Liberties Union, was disbarred, January 29, 1958, from practising in Federal Court in the southern district of New York. Disbarment was ordered by Federal Judge John W. Clancy on petition of the Bar Association of the City of New York and the New York County Lawyers Association. Isserman had been a lawyer for the defense in the 1949 Smith Act trial of 11 Communist leaders. For conduct "harassing" to Judge Medina whose bias against the defendants was so marked, Isserman served a 4-month sentence in prison and was disbarred by the U.S. Supreme Court and the New Jersey state courts.

### EASTLAND COMMITTEE WITCHHUNT

The Senate Internal Security Subcommittee, headed by Sen. James O. Eastland (D., Miss.), held a series of hearings during 1957 in an attempt to expose Communists and former Communists "for the sake of exposure." The committee and its chief counsel, Robert Morris, were considered to be at least partly responsible for the suicide in April, 1957, of E. Herbert Norman, Canadian Ambassador to Egypt, who threw himself from a hotel window in Cairo. At committee hearings Norman's name had been mentioned as a member of a Communist study circle in Provincetown, Mass. in 1938 when he was a student at Columbia University. Since the Canadian government had cleared Norman of even the suspicion of "subversion", Canadians held the Eastland committee guilty of "assassination by insinuation."

On this matter the *New York Times* (April 6, 1957) commented that it shows "how reckless has been the Eastland committee's disregard of the first principles of civilized diplomacy." The editorial concluded that the U.S. government owed a deep apology to Canada "for the un-

American misconduct of Senator Eastland, his colleagues and their chief counsel, Robert Morris."

On the basis of the U.S. Supreme Court decision in the Watkins case (see above) June, 1957, District Judge Luther W. Youngdahl, July 11, 1957, acquitted Seymour Peck of the *New York Times* of contempt of Congress. In voiding an earlier conviction in his own court, the Judge held that the Senate committee had infringed upon Peck's "basic 1st Amendment freedoms." Peck testified in May, 1956, before the Senate Committee that he left the Communist Party in 1949, three years before joining the newspaper. But he claimed his rights under the 1st Amendment in refusing to name former associates as Communists. He was tried in March, 1957, and given a suspended sentence of 30 days and a fine of \$500.

**Against Trade Unionists:** In other hearings in 1957 the Eastland committee tried to expose active trade unionists as former Communists. Informers took the stand to finger former associates. A number of workers lost their jobs as a result of Eastland's fishing expeditions.

In Washington, D. C., for example, in May, 1957, Eastland subpoenaed President Joseph P. Selly and other leaders of the American Communications Association (Ind.) All refused to answer his questions on their political associations, past or present. As a result of these hearings, three employees of the Western Union Telegraph Co. in New York were immediately suspended by the company.

In August, 1957, the Eastland committee called witnesses from Elizabeth, N. J. to smear active trade unionists in that area. An informer testified that two men named as Communists had "fomented a long strike" 8 years before (in 1949) at the Singer sewing machine plant. Both workers declined to say on grounds of self-incrimination, under the 5th Amendment, whether they had ever been Communists.

Two unions, the Automobile Workers and the Electrical Workers (IUE) in September, 1957, cleared 22 minor union officials who had refused to answer questions of this Senate committee. Of the 22 cleared, nine were officers or staff members of the Automobile Workers; the others were officers or employees of the Electrical Workers.

**1958 Operations:** In its annual report in May, 1958, the Eastland committee called upon Congress to strengthen the Communist Control Act and give it increased power against left wing leadership in unions. It blamed the Communists for creating trouble between the races in the South. Eastland is a plantation owner and exploiter of Negro labor.

At hearings in Washington September 23, 1958, the committee

summoned Albert E. Kahn who testified that he had never been "in the pay of the Russians" as charged by professional informers. He said he was being harassed by the committee because he had recently completed a book in which he scored Eastland for "anti-constitutional" activities in fighting against the Supreme Court's school integration decision.

At hearings also held in Washington, December 16, 1958, the committee subpoenaed several persons who had recently been granted passports in an effort to harass them. (See *The Right To Travel*.) On December 17, the committee summoned other witnesses in an attempt to expose what it called Communist activity in mass communications. Most of those subpoenaed, including Oakley Johnson, author of *The Day Is Coming*, a biography of Charles E. Ruthenberg, refused to discuss their political views or their associates.

**Jenkins Case:** Sen. Eastland held hearings in New Orleans, La., in April, 1956—timing them to coincide with the new movement toward integration of Negroes and whites in the South. As a leading racist and supporter of the White Citizens Councils, he aimed to expose integration as a "Communist plot."

All those whom Eastland subpoenaed for the televised hearings lost their jobs and had to leave the state. Among those called were Grady and Judy Jenkins, native-born, young white Southerners who were active trade unionists. In April, 1957, a year after the Eastland hearings, Grady was ill with tuberculosis and in the hospital for a lung operation, when he was arrested and chained to his bed for 2 weeks. The State of Louisiana indicted him and his wife on 21 counts under three state laws: a registration law, passed in 1952, requiring Communists to register every year; a subversive activities law, passed in 1954, against belonging to an organization that allegedly advocates violent overthrow of the government of Louisiana or the U.S., and an old state criminal activities law, revised in 1950. In the New Orleans court in October, 1957, the indictment against them was declared unconstitutional, in the light of the U.S. Supreme Court decision in the Nelson case. The state prosecutor, however, appealed against this verdict to the Louisiana Supreme Court which voted, 5 to 2, on December 15, 1958, to reject the prosecutor's appeal. The indictments were dismissed.

## UN-AMERICAN COMMITTEE IN NEW DRIVE

The House of Representatives on January 30, 1958, granted the

Committee on Un-American Activities its requested \$305,000 for another year of un-American activity. Two Congressmen voted against it, but those who opposed continuance of this 12-year old committee could not find the 44 votes necessary for a roll call on the issue. On January 28, 1959, it was granted \$327,000 to carry on its witchhunting operations for still another year.

Abolition of this committee was demanded in January, 1958, by 61 prominent educators, scientists, religious leaders and several local trade union leaders in the Chicago area in an appeal addressed to Illinois Congressmen. Their appeal included quotations from the Supreme Court's decision in the Watkins case (see above) and called upon Congressmen to recognize that the committee "operates under an indefensibly broad charter; that it too often has served no valid legislative purpose; that its activities imperil American values; that the result of its methods lessens the dignity and high office of our elected representatives."

A group of Christian ministers, leaders in the National Council of the Churches of Christ in the U.S.A., and three Jewish rabbis signed a joint letter to the *N. Y. Times* (Aug. 12, 1958) protesting recent actions of the committee, with the statement: "In the past year, the Un-American Activities Committee had made no apparent change in the temper, tone or purpose of its conduct, despite the rebuke by the Supreme Court" in the historic Watkins decision. The *Washington Post* (Dec. 19, 1958) said the Un-American Committee "should be abolished, not reorganized." Rep. James Roosevelt (D., Calif.) on January 9, 1959, introduced in Congress a bill to eliminate this committee as a standing committee of Congress, but did not call for its abolition.

Cyrus S. Eaton, chairman of the Chesapeake & Ohio Ry and wealthy director of steel, coal and utility companies, was summoned in May, 1958, to appear before this committee. The subpoena was signed but the order was withdrawn after it brought unfavorable comment in newspaper editorials all over the country. In a WABC television interview, May 4, Eaton had said the Federal Bureau of Investigation was "just one of the scores of agencies in the United States that are engaged in investigation, in snooping, in informing, in creeping up on people." On the subpoena for Eaton, the conservative *N. Y. Herald Tribune* commented that Chairman Walter of the committee was "making a fool out of nobody but himself."

**Anti-Labor Activity:** In the face of growing opposition from civic leaders, this committee has carried on its anti-labor activities by

holding much-publicized hearings in important centers. These anti-labor expeditions have continued, despite the Supreme Court ruling in the Watkins case which condemned such activity. As a result, workers who claimed the 5th Amendment in refusing to answer questions on their political views were often dismissed by the companies that employed them.

In the Baltimore area in May, 1957, for example, the committee held 4 days of hearings and subpoenaed 22 workers as witnesses. As a result, six workers of the Bethlehem Steel Corp. were immediately suspended because they claimed the 5th Amendment in refusing to answer the committee's political questions. Similarly, in the Buffalo, N. Y. area in October, 1957, the committee questioned 42 workers from various industries. Many lost their jobs as a result of the committee's witchhunting operations.

In its sixth hit-and-run hearings after the Watkins decision of the Supreme Court the committee in February, 1958, called 15 steel workers in Gary, Indiana, but had to end the inquiry after two days. A great majority of the steel workers called claimed their 5th Amendment rights in declining to answer on their political views or associations.

On June 18-19, 1958, the committee summoned 18 New York City workers in the theater, radio and television fields. With the aid of one informer, John Lautner, the committee attacked Charles S. Dubin, TV director, who declined to answer questions on his previous political views. He was immediately dismissed from his job on demand of the National Broadcasting Co. Joseph Papp, a TV stage-manager, was fired by the Columbia Broadcasting System as a result of the hearing. Papp had also been a director of the N.Y. Shakespeare Festival. The *N.Y. Times*, in an editorial, June 25, 1958, attacked these hearings as "the kind of publicity-seeking investigation in which it [the committee] specializes." Papp was reinstated by CBS after an arbitration hearing.

The committee continued its harassment of active trade unionists and others during the summer and autumn of 1958. At hearings in Atlanta, Ga., July 29-31, it summoned among others Carl Braden, field secretary of the Southern Conference Educational Fund who had been freed of a "sedition" conviction in Kentucky as a result of the U.S. Supreme Court ruling in the Nelson case. Braden, on the basis of the 1st Amendment to the Constitution, refused to answer questions about his political beliefs or associations. For this he was indicted on December 2, 1958, for "contempt of Congress," found "guilty" by the District Court, and

sentenced February 2, 1959, to a year in prison. He has appealed the case.

At the time of the Alabama hearings, some 180 Negro leaders released a protest against the committee. In it they recognized the connection between the Negroes' struggle for civil rights and the committee's effort to "attach the 'subversive' label to any liberal white Southerner who dares to raise his voice in support of our democratic ideals."

Frank Wilkinson of Los Angeles, secretary of the Citizens Committee to Preserve American Freedom, after refusing to answer questions on his political views and associates at the Alabama hearings, was also sentenced to a year's prison term, and has appealed to higher courts.

The committee called "double-header" hearings in Los Angeles, Calif., and Newark, N. J., September 3-5, 1958, to coincide in both cities with the opening of public schools and the struggle over desegregation. In Los Angeles 100 prominent clergymen, lawyers, scientists, artists, writers and educators signed a protest against the committee. Summoned in the Newark hearings, Harvey O'Connor, author and national chairman of the Emergency Civil Liberties Committee, refused to appear and challenged the legality of the committee's operations.

The Un-American committee on February 15, 1959, issued a new blacklist of 39 lawyers, whom it described as agents of the Communist Party. It said they served the party's cause in the courts "by gaining entry into the legal profession." Those named were said to be among more than 100 lawyers "identified" as Communists before the committee in the last decade. *I. F. Stone's Weekly* (Feb. 23, 1959) commented: "How do Communists, real or alleged, get counsel in an atmosphere where it is dangerous to defend them lest one be tagged as a Communist lawyer?"

## McCARRAN ACT DEVELOPMENTS

The U.S. Circuit Court of Appeals in Washington, D.C. on January 9, 1958, reversed the second order by the Subversive Activities Control Board that the Communist Party must register under the McCarran Act as an agency "controlled by a foreign power." The Court ruled that the government must produce reports of the Federal Bureau of Investigation when these have been used in oral testimony.

The unanimous ruling of the Court of Appeals judges required specifically that the government produce the secret FBI reports in

relation to its witness, Mrs. Mary Stalcup Markward, and its record of amounts paid her as an informer. Defense attorneys John J. Abt and Joseph Forer had asked to see these reports and also those in relation to testimony by Louis F. Budenz, but the SACB had refused. This refusal was made a major point in the appeal carried to the higher courts by the defense attorneys. The Court of Appeals has thus extended to an administrative proceeding the rule laid down by the Supreme Court in the Jencks case that the defense must see, for purposes of cross-examination, the relevant reports made to the government before trial by its witnesses.

For eight years the SACB has been demanding that the Communist Party register under the McCarran Act. In 1953 it ordered the Party to register but the Supreme Court in 1956 upset that finding because the Board had relied on the "tainted testimony" of three questionable informers. The SACB then simply struck out their testimony and again in December, 1956, ordered the party to register.

On February 7, 1958, the Justice Department suddenly revealed that the FBI had made secret recordings of its talks in December, 1945 with Budenz. The Department had claimed that the recordings were made without Budenz' knowledge and that even prosecuting lawyers in the case had not known they existed. In view of this disclosure the Department asked the Court of Appeals in Washington to expand its order of January 9, 1958, and require production of the relevant portions of the Budenz recordings. The Court of Appeals in April, 1958, granted the Communist Party's request for the recordings. The SACB on February 9, 1959, reaffirmed its decision that the Party should register with the Department of Justice.

Final decisions in this main case will affect the SACB orders in relation to other progressive organizations, including the independent trade union, Mine, Mill & Smelter Workers (Ind.). These cannot be compelled to register under the McCarran Act unless there is a final decision against the CP. As of March, 1959, the main case was again before the U.S. Court of Appeals.

**Mine-Mill Case:** The SACB in July, 1957, recessed until further notice its hearings on the case against the Mine Mill union. In view of the Supreme Court decision in the Jencks case, Nathan Witt, general counsel for the union, asked for FBI reports from all witnesses who had testified against the union.

The paid informer, Art Morales, testified for the SACB that beginning in 1949 he had been an agent for the FBI in the union, and had

been paid \$12,000 for his reports on the union and its members. He operated in Butte, Mont., which has "a long reputation of distrust and hatred for paid Pinkerton agents, labor spies, and stoolies in general," the union pointed out. (*Mine-Mill Union*, Aug. 1957.)

## SMITH ACT PROSECUTIONS

Prosecutions under the Alien Registration Act of 1940, known as the Smith Act, started in 1948 when 12 leaders of the Communist Party were indicted for alleged "conspiracy." The Act got its name from its author, Rep. Howard W. Smith (D., Va.) As recorded in our Labor Fact Books during the past 10 years, a total of 108 persons were convicted under the Smith Act. Prosecutions in various states followed the U.S. Supreme Court decision of June 4, 1951, upholding the constitutionality of the Act.

But as a result of the Supreme Court decision in mid-1957 in the California (Yates) case (see below) the government dropped most of the cases. Judge Richard H. Chambers of the U.S. Court of Appeals in San Francisco, in dismissing the Seattle and Hawaii cases, January 20, 1958, said that the Yates decision had left the Smith Act "as to any further prosecutions under it, a virtual shambles."

At the end of 1958 only two of the major Smith Act "conspiracy" cases remained outstanding—those in Ohio and Colorado. Cases dismissed included those in California, Seattle, Hawaii, New York, Massachusetts, Pennsylvania, Connecticut, Puerto Rico, Michigan and Missouri. Last to be dismissed was the case of the five in St. Louis, Mo., thrown out October 10, 1958, on the basis of the Yates (California) decision of the U.S. Supreme Court, rendered June 17, 1957. William Sentner, a defendant in the St. Louis case and a former organizer for the Electrical Workers (UE) died in December, 1958.

In the Yates ruling a majority of the high court held that advocacy of abstract doctrine was not a crime and there was no proof of forcible action to overthrow the government. It ordered a new trial for 9 of the defendants and freed 5 of the 14. The Justice Department then requested dismissal of the whole case with the statement: "We cannot satisfy the evidentiary requirements laid down by the Supreme Court in its opinion reversing the conviction in this matter."

Despite the protests of many leading citizens, the trial of 7 in the Colorado Smith Act case started in Denver, January 28, 1959. As the trial opened, the government dismissed the case against Lewis Johnson,

leaving 6 defendants. After a 7-week trial, all 6 were convicted, March 11, 1959, and sentenced from 2½ to 5 years.

**New York Cases:** The appeal of Gilbert Green and Henry Winston against contempt sentences was denied March 31, 1958, by the U.S. Supreme Court in a 5-to-4 ruling. Later, in November, 1958, their parole applications were denied. The two, convicted in the first Smith Act trial of the 11 Communist leaders, had been political refugees from 1951 to 1956.

Charged with criminal contempt for disobeying a court order, Green and Winston had been tried, convicted and each sentenced March 26, 1956, to three years in addition to the original sentences of five years. Dissenting in the Supreme Court decision, Justice Hugo L. Black held that summary trial of a criminal contempt case makes the judge "law-maker, prosecutor, judge, jury and disciplinarian." No person, he said, "should be granted such autocratic omnipotence." He called such power "arbitrary and dangerous."

Robert G. Thompson, also a political refugee after the first trial of 11 leaders, has been free in \$25,000 bail on a 4-year contempt sentence. He had served 17 months before his release on bail. Thompson, holder of the Distinguished Service Cross for his record as a staff sergeant in World War II, was seriously wounded by a pro-fascist prisoner in 1953 while in West Street jail in New York City.

Irving Potash, trade union leader who was deported to Poland in 1955 after serving a 5-year sentence in the first Smith Act case, returned to the U.S. and was arrested January 4, 1957. For having returned illegally, he was sentenced to a 2-year prison term and a fine of \$1,000. He was released in September, 1958.

**Membership Clause:** A Federal District Court at Greensboro, N. C., February 21, 1958, convicted Junius Irving Scales, former Communist, for the second time, under the membership clause of the Smith Act. He was sentenced to 6 years in prison. The conviction was again upheld in October, 1958, in the Circuit Court of Appeals. In appealing the conviction, Scales challenged the constitutionality of the Smith Act membership provision.

He had previously been convicted in April, 1955, on the same charge of "knowing membership" in the Communist Party. The U.S. Supreme Court, October 14, 1957, had reversed the convictions of Scales and also of Claude Lightfoot, under the membership clause.

But the high court did not rule on the constitutionality of the membership clause. Its decision was based on the Jencks case in which the

court ruled that the defense was entitled to see Federal Bureau of Investigation reports if they had been the basis of oral testimony in court. In the second trial of Scales defense attorneys demanded the FBI reports which were then turned over.

Claude Lightfoot of Chicago had been sentenced in January, 1955, to 5 years in prison and a \$5,000 fine. The Department of Justice has moved to retry his case also. Two others, John Francis Noto of Buffalo and Albert Blumberg of New York and Philadelphia, had been convicted under the membership clause in 1956. Noto's conviction was upheld on December 31, 1958, by the U.S. Court of Appeals. Indicted under the same clause were Emanuel Blum of Chicago, Michael Russo of Boston, and Max Weiss of New York. In December, 1957, the case against Emanuel Blum was dismissed in Indiana.

John C. Hellman of Butte, Montana, found guilty by a federal jury on May 27, 1958, after a 2-week trial, was sentenced to 5 years in prison. His appeal was pending at the end of 1958.

### STATE "SUBVERSIVE" CASES

**Dolsen Freed:** Under the Pennsylvania Sedition Act, James H. Dolsen, correspondent of the *Daily Worker*, had been sentenced to 20 years imprisonment, a fine of \$10,000, and costs of prosecution totaling \$13,000. The U.S. Supreme Court in April, 1956, had freed Communist leader Steve Nelson in a parallel Pennsylvania case on the ground that federal law supersedes state laws in the field of "sedition."

It took 14 months after the Nelson ruling before the Pennsylvania Superior Court, in a unanimous decision, June 12, 1957, dismissed the conviction of Dolsen. Then the district attorney of Allegheny County sought to reinstate the Dolsen case in a higher state court. But the Pennsylvania Supreme Court in September, 1957, rejected such efforts. Andrew Onda had been convicted in the original case but was never sentenced because of his serious illness.

**Sweezy and Uphaus:** On June 17, 1957, the U.S. Supreme Court set aside the conviction of Prof. Paul M. Sweezy for contempt of a state legislative committee in New Hampshire. Sweezy, a former government economist and teacher at Harvard and Williams College, had refused in 1954 to answer questions of a state investigating committee appointed under the state's "Subversive Activities Act." Stating that he had never been a Communist, Sweezy declined to answer

questions on his political ideas and associations. In freeing him, the high court ruled that "there was nothing to connect the questioning" with the "fundamental interest of the state."

In a similar case, October 14, 1957, the Supreme Court remanded to the new Hampshire State Supreme Court the sentence for contempt imposed on Willard Uphaus, executive director of the World Fellowship Inc., "a movement open to people of all faiths, races, nationalities and social convictions who seek to understand one another's religions and cultures and to strengthen one another in working toward peace, brotherhood and plenty for all." The organization operates a summer camp at Conway, N. H. During the state investigation of "subversive" activities, Attorney General Louis C. Wyman of New Hampshire had demanded that Uphaus produce the list of camp guests, his correspondence with guest speakers, and the names of camp employees. Uphaus refused stating that to produce them would make him a "contemptible informer." He denied, however, that he had ever been a Communist.

The sentence for contempt in this case has been upheld by the Supreme Court of New Hampshire, which ruled that the order to produce the names did not violate a constitutional right. In remanding the case, the U.S. Supreme Court cited the previous decision in the Sweezy case. But the New Hampshire court merely reaffirmed its previous decision and Uphaus, with the support of the Emergency Civil Liberties Committee, again appealed his conviction. In November, 1958, the U.S. Supreme Court heard the case for the second time.

## ATTACK ON U.S. SUPREME COURT

Sen. William E. Jenner (R., Ind.) introduced in the 85th Congress a bill later amended by Sen. John M. Butler (R., Md.) to restrict the jurisdiction of the U.S. Supreme Court. It would forbid the high court to review any cases dealing with contempt of Congressional committees, the federal employees security programs, state and local laws against "subversion", and state regulations on admission of persons to the bar. With Butler's amendments, the anti-Supreme Court bill was approved in May, 1958, by the Senate Committee on the Judiciary.

This measure was the first serious congressional effort in a generation to cut down the power of the Supreme Court. It was the answer of reactionary Senators to the court's recent far-reaching, historic decision in the Watkins case, the Nelson case and other rulings in the

field of civil liberties, especially those against segregation. Supporting Jenner in his anti-constitutional move were Southern Senators such as James O. Eastland (see above), Dixiecrat Strom Thurmond (D., S.C.) and Richard B. Russell (D., Ga.)

In introducing his bill, Jenner denounced the Supreme Court's civil rights decisions as "dishonest," "twisted," "pro-Communist" and "treason's biggest victory." Eastland called the high court "the greatest single menace to the domestic security and tranquility of this country."

By a close vote, 49 to 41, August 20, 1958, the Senate defeated the Butler-Jenner bill. By an even closer vote, 41 to 40, on August 21, 1958, the Senate killed another anti-Supreme Court measure, sponsored by Rep. Howard W. Smith (D., Va.). This bill was intended to reverse the court's decision of April 2, 1956, in the Steve Nelson case. This anti-Supreme Court measure, which had passed the House, was designed to assert "states rights" in the field of sedition and "subversion."

**Bar Association Position:** In February, 1959, the House of Delegates of the American Bar Association, meeting in Chicago, adopted with some amendments a program drawn up by its Committee on Communist Tactics, Strategy and Objectives. At least half of this committee were lawyers who had been slapped down in civil liberties cases by Supreme Court rulings or had been connected with American Legion or FBI witch hunting. The final ABA report advocated letting the states enact their own laws against "sedition" and urged other measures to counteract recent decisions of the Supreme Court, but it did not attempt to narrow the court's jurisdiction. Its main purpose was, however, to narrow the area of constitutional rights; the result, said *The Nation* (March 7, 1959), was a sort of "Kill the Umpire" cry which, coming from a bar association, was "incongruous, discordant and unworthy of the legal profession."

## INTEGRATION OF SCHOOLS

Despite some setbacks such as occurred in Virginia and in Little Rock, Ark. (see below), the desegregation of public schools has continued in some southern states during the past 2 years, in compliance with the U.S. Supreme Court ruling of May 19, 1954. In a survey of the "Status of School Segregation-Desegregation in the Southern and Border States" as of October 15, 1958, the Southern Educational Reporting Service indicated in figures the extent of integration in the public school system.

In the region as a whole, about 402,400 Negro young people were in integrated situations. Some 790 school districts were already desegregated but those still on a segregated basis numbered about 2,100. Of 202 tax-supported colleges and universities in 13 of the southern states and the District of Columbia, 114 that were formerly all-white will now accept Negro students and in about 100 of these institutions Negroes are actually enrolled.

In the 17 southern and borderline states and the District of Columbia, the Reporting Service found 41 organized groups that were pro-segregation and 38 that were pro-integration. It reported: "The general assemblies of 11 states have enacted since May 17, 1954, about 200 measures designed to prevent or control desegregation. Included in this total are 12 resolutions (2 in Arkansas) of interposition, nullification, or protest."

States showing the most progress toward integration and the number of school districts desegregated in each were as follows: Delaware, 17; Kentucky, 117; Maryland, 21; Missouri, 21; Oklahoma, 238; Texas, 124; West Virginia, 47. States showing the least progress in the number of school districts desegregated were: Arkansas, 8; District of Columbia, 1; North Carolina, 3; Tennessee, 3. But in 7 states (Ala., Fla., Ga., La., Miss., S.C. and Va.) no school districts had been integrated.

Virginia later yielded to federal and state court decisions against its massive resistance laws, and token integration actually began in some schools in that state, as noted below. The National Association for the Advancement of Colored People reported in February, 1959 that integration was in effect in 25.6% of school districts in 10 southern States.

**Struggle at Little Rock:** On September 2, 1957, Gov. Orval E. Faubus of Arkansas sent the National Guard to the small city of Little Rock to keep Negro children out of the Central High School. On September 24, President Eisenhower ordered federal troops to Little Rock to prevent such interference with a federal court decree ordering admission of Negro pupils to the school. It was the first time since Reconstruction days after the Civil War that the federal government had ordered out troops in the cause of equal rights for the Negro people in the South.

Guarded by U.S. Army troops, 9 Negro students (6 girls and 3 boys) entered the school. But the troops could not protect them from year-long abuse and persecution by some of the white boys and girls who were spurred on by adult members of the White Citizens Councils. Gov. Faubus continued through 1958 to defy all federal court orders on integration of the public schools. He closed 4 public high schools in Little Rock with the announced intention of leasing them as private,

segregated schools. The U.S. Circuit Court of Appeals, however, in November, 1958, directed that the Little Rock school board must take positive steps to accomplish school integration. At the 1958 year-end no such steps had yet been taken.

**Closing of Schools:** Secretary Arthur S. Flemming of the U.S. Department of Health, Education and Welfare reported December 1, 1958, that more than a million student-days had already been lost by the closing of public schools "to avoid integration." He listed as closed the 4 schools in Little Rock., Ark., 6 in Norfolk, Va., 2 in Charlottesville, Va., and 1 in Warren County, Va. He said: "This was a tragic new circumstance in a nation which has proudly pioneered in providing free public education for all." And the sole reason for the closing was to prevent white boys and girls "from sitting in the same classrooms with a handful of Negroes of comparable age, intelligence, abilities and manners."

About 16,400 young people had been locked out of their regular schools, Flemming reported. Some were going to other public schools and some were getting private instruction but in each locality there were some who were apparently "getting no education" at all.

In Virginia, a 3-judge federal district court ruled unanimously January 19, 1959, that the closing of public schools to avoid racial integration violated the U.S. Constitution. On the same day, the Virginia Supreme Court of Appeals ruled 5 to 2, that the state's laws against racial integration of the public schools violated the state Constitution. Following these rulings, 7 previously all-white schools in Norfolk and Arlington counties, February 2, 1959, opened their doors to 21 Negro boys and girls, for the first time in Virginia's history. There was no disorder.

**In the North:** Not only in the South but in some northern centers, there is segregation of Negro children in public schools. In New York City in 1958, some Negro parents withdrew their children from all-Negro schools on the ground that the schools were inferior. Two cases charging discrimination were taken to court.

Judge Justine Wise Polier of the domestic relations children's court division in her opinion of December 15, 1958, said: "The conclusion must be drawn that *de-facto* racial segregation exists in the junior high schools of New York City." On assignment of teachers to city schools, she said: "A far greater percentage of positions in the schools with heavy Negro and Puerto Rican attendance were not filled by regularly licensed teachers."

In one junior high school, 1,560 pupils were Negroes, 25 were Puerto Ricans and none was white. In another, 1,629 pupils were Negroes, 25 were Puerto Ricans and none was white.

## RIGHT TO TRAVEL

In a far-reaching 5 to 4 decision, the U.S. Supreme Court, June 16, 1958, overturned State Department regulations denying passports to Communists and others on the basis of their political views. The court ruled that Congress had not authorized the Secretary of State to withhold passports because of the "beliefs and associations" of those applying. The court noted that the only two grounds on which the Secretary of State was authorized by existing laws to deny passports were: that the applicant was not a citizen or that he was "engaged in conduct which would violate the laws of the United States."

Immediately after the Supreme Court ruling, passports were issued to applicants whose appeals had been long outstanding. Two appeals were before the court when it gave its favorable decision. Rockwell Kent, artist, and Walter Briehl, a psychiatrist, had filed suit against the State Department, declaring it had no right to require political questions in applications for passports. Kent's suit, sponsored by the Emergency Civil Liberties Committee, was a test case to establish a citizen's right to travel regardless of his political views.

Corliss Lamont, author and civil liberties leader, was first denied a passport by the State Department in 1951, on the ground that his travel abroad would be "contrary to the best interests of the U.S." On June 18, 1957, he filed suit against Secretary of State Dulles to establish the right to travel. Of his refusal to answer questions about his political associations and beliefs, Lamont wrote: "I believe that the current passport forms in effect demand an illegal loyalty oath of the more than 600,000 Americans per year who apply for passports."

For 8 years, the noted Negro singer, Paul Robeson, had been seeking to have re-issued his passport which was revoked in 1950. Again in January, 1958, he applied for at least a limited passport so that he might accept an invitation to appear at the Shakespeare Memorial Theater, Stratford-on-Avon, England. He had been refused even that because he had not answered the question about Communist Party membership. On June 26, 1958, he finally received his passport, and immediately went abroad for singing engagements.

**Newsmen and Students in China:** Several newsmen in the win-

ter of 1956-57 openly defied the State Department's ruling that no American could visit the People's Republic of China to report on developments there. Three journalists, Edmund Stevens and Philip Harrington of *Look* magazine and William Worthy, correspondent for the Baltimore *Afro-American*, went as reporters to the China mainland. The State Department refused to renew Worthy's passport when he returned to the U.S. His case was appealed to the U.S. Supreme Court with the help of the American Civil Liberties Union.

In the summer of 1957, when an international Youth Festival was held in Moscow, 42 students from the U.S. who were attending it decided to accept an invitation to visit mainland China. When the American students returned from China, the department announced it had cancelled the passports of 24 out of the 42. Of 18 who returned in the autumn, the government seized the passports of all but two who refused to surrender theirs and have been fighting the case.

Waldo Frank, novelist and critic, filed suit against Secretary Dulles on November 12, 1958, to get his passport validated for a trip to the People's Republic of China where he had been invited to lecture on Walt Whitman at the University of Peking. Decision on his passport depends on a Supreme Court ruling in the Worthy case, noted above.

But the struggle for the basic right to travel is far from won. Reactionary efforts to deny passports to selected citizens, and thus forbid their travel abroad, continued through 1958. Sen. Eastland's subcommittee on Internal Security summoned to hearings on December 16, 1958, four persons who had recently been granted passports: James E. Jackson, the Communist Party's secretary for Negro and Southern Affairs; William L. Patterson, general manager of *The Worker*; Alexander Trachtenberg, president of International Publishers; and John J. Abt, civil liberties and labor attorney. Jackson called for the expulsion of Eastland from the U.S. Senate on the ground that he had not been elected by a majority of the people in Mississippi. Almost half the state's population are Negroes, but less than 1% of them have voting rights. Both Jackson and Patterson denounced the committee's harassment of those who had been granted passports.

A committee of 8 lawyers of the Bar Association of the City of N. Y., representing mainly conservative Wall Street corporation law firms, after a study of the passport issue, recommended November 23, 1958, that "travel should not be restrained and passports should not be denied solely on the basis of membership in any organization . . . adherence to unpopular views or criticism of the United States." Despite these

more liberal opinions, the Eisenhower Administration was expected to continue its reactionary moves against the basic right to travel. While some persons, as noted above, were granted passports, other U.S. citizens with progressive views were still being denied the right to travel abroad.

### DISMISSAL OF TEACHERS

On May 21, 1957, New York State Supreme Court Justice Donald S. Taylor upheld the 1956 ruling of James E. Allen, Jr., State Commissioner of Education, that public school teachers cannot be discharged for refusing to inform on others who are or were Communists. Allen had declared that discharging teachers for refusing to turn informers "would do more harm than good and that this type of inquisition has no place in the school system." At issue were the cases of 5 New York City teachers, including one school principal, who were suspended in September, 1955, for refusing to inform. They would have been reinstated under the Allen ruling, as upheld by the State Supreme Court. But their reinstatement had not been effected by the 1958 year-end.

In its 1958 report on the Feinberg law, the N.Y. City Board of Education said that 285 teachers had been either dismissed or had resigned or retired from the school system in the years 1951 through October, 1958, as a result of its investigations into so-called "subversive activities." Of these 285 the Teachers Union estimates that about 75 had been teaching science or mathematics in junior or senior high schools, with an average of 20 years' service as teachers. Their competence as teachers or their conduct in the classroom was not questioned. They could have been still teaching science or mathematics at a time when shortage of qualified teachers in these fields has been acute in New York and in other parts of this country. This shortage has been noted especially since October, 1957, when the Russians put their first Sputnik into orbit.

Of the total number forced out of the school system about 175 were elementary school teachers. About 75 were teachers in the so-called "difficult" schools, especially important now because of the recent increase in juvenile delinquency, or were in schools in the Negro or Puerto Rican areas.

Dr. Julius Hlavaty was the only one of the teachers dismissed under the N.Y. City Charter (Sec. 903) to be reinstated in the New York

City school system. He had been chairman of the mathematics department at the nationally known Bronx High School of Science. Although reinstated in the school system in November, 1956, he was transferred to another school. Because of legal technicalities the other "903" cases were not reviewed by the court, and all were denied reinstatement by the Board of Education and the Board of Higher Education.

**In Colleges:** The New York City Board of Higher Education reported in March, 1958, that since 1953, out of a total of 6,500 staff members in the 5 city colleges, a special board committee had "investigated" 122 staff members. About one-third of these or 39 in all, had been dismissed or resigned, retired, or otherwise ended their college services. Of those investigated, about one-half, or 63, staff members were "cleared" or their cases were otherwise closed. Also to be investigated were 18 others who, however, left their college positions before being questioned.

On December 16, 1957, Dr. Warren B. Austin, assistant professor of English at the College of the City of N.Y., was dismissed by the Board of Higher Education. He had been suspended without pay on May 21, 1957, on charges of falsely denying he had ever been a Communist Party member. He repeated that denial under oath, September 25, 1957, at hearings conducted by a special trial committee. Prof. Austin, who was on the City College faculty for 26 years, has appealed his case to the State Commissioner of Education.

The board of governors of Rutgers University in New Brunswick, N. J., April 10, 1957, refused to reinstate Dr. Abraham Glasser, a former professor of law. He had resigned under pressure in 1953 after invoking the 5th Amendment in refusing to answer questions of the House Un-American committee about his political beliefs and associates. He asked to be reinstated and receive back pay totaling over \$20,000, but his request was denied.

**In Other Areas:** In other centers teachers have been dismissed for not answering questions of the House Un-American committee. In a typical case in the West, for example, the Trustees of the Dixie School District in San Rafael, Calif., dismissed Edward L. Hanchett, a 7th grade teacher. He had told the Un-American committee in June, 1957, that he had not been a member of the Communist Party since 1951. But he declined to answer further questions on his political activities or associations. Within three months he was summarily dismissed from the school system.

In Boston, Mass., two teachers were suspended in March, 1958, be-

cause they had invoked their constitutional privileges when questioned by the House Un-American committee. The "liberal" Democratic governor of Massachusetts, Foster Furcolo, said a school teacher "does not have a constitutional right to teach." In Newark, N. J., the school board ruled against the appeal for reinstatement of two public school teachers who had invoked the 5th Amendment before the House Un-American committee in 1954.

On June 30, 1958, the U.S. Supreme Court split 5 to 4 against a similar appeal of Herman A. Beilan, a Philadelphia school teacher of 22 years standing. He had been dismissed in 1954 after invoking the 5th Amendment before the Un-American committee, which televised the proceedings.

**Blacklisting Protested:** Dean Louis M. Hacker of Columbia University's School of General Studies, declared, March 20, 1958, that "Administrators of universities have not had the courage to restore to academic life men who have been discharged from teaching posts simply because they refused to answer questions about their private lives by legislative committees. . . . Unless there is substantial evidence of the perversion of the academic process, neither retention of a teacher nor his employment should be affected by beliefs or associations, whether they be political or religious."

American Association of University Professors reported, March 29, 1958, on nine colleges and universities that had violated academic freedom in the dismissals of 13 teachers during the seven years from 1951 through 1957. Colleges and universities charged with violations were: New York University, University of Vermont, University of Michigan, Reed College, Dickinson College, University of Southern California, Alabama Polytechnic Institute, Texas Technological College, and Livingstone College. Of the 13 teachers dismissed, eight had refused to answer questions in relation to their political views and associations.

## RIGHTS OF THE FOREIGN-BORN

During the past two years, continued improvement in the public atmosphere as a result of the elimination of post-war hysteria and important civil rights decisions by the U.S. Supreme Court served to diminish the post-World War II hysteria against foreign-born Americans. However, while long-standing attacks on the rights of the foreign-born were defeated, no advance was made in the fight to revise or repeal the 1952 Walter-McCarran Act, despite the continuing national

sentiment for basic changes in this law.

The foreign-born found themselves still in a position where their rights and status suffered legal and political attacks at the hands of the Justice Department, which continued its efforts to implement the repressive police-state provisions of the Walter-McCarran law. The threat of new attacks, given any new economic or political crisis, will continue as long as this law remains on the statute books.

**Deportations:** In December 1958, the U.S. Supreme Court ordered deportation proceedings cancelled in the case of Charles Rowoldt, of Minneapolis. Rowoldt, 72, entered the U.S. in 1918. Deportation proceedings based on his membership in the Communist Party were started against him in 1936. His case was appealed to the U.S. Supreme Court in 1957 after the Justice Department took him into custody for immediate deportation to Germany. The December 1958 ruling of the high court held that his membership in the Communist Party had been nominal since there had not been a "meaningful association" with the Party.

In ordering cancellation of political deportation proceedings in the Rowoldt case, the Supreme Court took such action for the first time in its history. This decision rejected the Justice Department's contention—which had previously, in 1952 and 1954, been sustained by the Supreme Court—that mere membership in the Communist Party, regardless of its nature, was sufficient ground for deportation. As a result of the Rowoldt decision, political deportation proceedings were cancelled in about 50 cases. Among these were the case of Leon Callow, Niles, Ohio, steelworker and father of 9 American-born children, who had faced deportation to Greece since 1936, and the case of Juan Diaz of San Francisco, father of 8 American-born children who had faced deportation to Spain since 1934.

About 250 political deportation cases, however, were still pending at the conclusion of 1958, most of which could be won only if basic changes in the law were enacted by Congress.

While establishing no legal precedent, the case of William Heikkila was the most dramatic development in the field of deportation during the past 2 years. Heikkila, who was brought into the U.S. in 1906 when he was only 3 months old, was taken into custody as he left the office building in which he was employed on Friday, April 18, 1958, and spirited out of the country. He was held under a false name by U.S. immigration agents in a Vancouver, British Columbia, jail for one day, then flown to Amsterdam and from there to Finland. The public

reaction to this kidnapping—in itself a reflection of the important changes that have taken place in public sentiment in recent years—forced the Commissioner of Immigration and Naturalization to order Heikkila returned to the U.S. One week after he had been kidnapped and deported, he rejoined his American citizen wife in San Francisco.

**Affiliation:** In February 1958, the Immigration and Naturalization Service started deportation proceedings against Wilhelm August Lahtinen, 57, U.S. resident since 1914, on the charge of being affiliated with the Communist Party because of his membership in the Finnish Workers Federation, an organization that went out of existence in 1942. Hearings in this case were started in March and were still in progress at the end of the year.

**Mexican-Americans:** The Justice Department continued its policy of harassing, intimidating and mistreating non-citizens and naturalized citizens of Mexican birth. In December 1958, the American Committee for Protection of Foreign Born announced plans to file in April 1959 a Petition to the United Nations on the treatment of the Mexican immigrant in the U.S.

**Supervisory Parole:** After passage of the Walter-McCarren Law, the Justice Department sought to impose burdensome restrictions on non-citizens ordered deported but not deportable since no country would accept them as deportees. The Department tried to force deportees to give information under oath as to their associations and activities. George Witkovich, of Chicago, was indicted in 1956 for refusing to answer questions and Mrs. Antonia Sentner of St. Louis started a court challenge of the legality of the Supervisory Parole order in her case in 1955. In 1957, the U.S. Supreme Court, in both the Witkovich and Sentner cases, held that the Justice Department's control over non-deportable deportees was part of the deportation process and limited to information concerning the deportee's whereabouts; that any control other than information concerning the deportee's whereabouts was beyond the provisions of the law.

**Frame-Ups:** The Justice Department tried to use the self-deportation provisions of the Walter-McCarren Law—requiring non-citizens ordered deported to apply for travel documents and to facilitate in every way their own deportation—to harass deportees. Knut Heikkinen, of Superior, Wis., was indicted in 1954 for violation of this provision, found guilty and sentenced to five years in jail. In January 1958, the Supreme Court threw out Heikkinen's conviction on the ground that the evidence was insufficient.

**Denaturalization:** Using the denaturalization provisions of the Walter-McCarren Law, the Justice Department started some 60 political denaturalization cases in 1952. The Department's contention in these cases was that the naturalized citizens had failed to divulge Communist Party membership when they became citizens and that their citizenship therefore had been obtained by fraud and misrepresentation. In the cases of Stanley Nowak and Rebecca Maisenberg, of Detroit, the U.S. Supreme Court on May 26, 1958, reversed the lower courts and restored their citizenship on the ground that the government had to show that the naturalized citizen had known personally of the "illegal" aims of the Communist Party to warrant denaturalization. As a result of the Nowak-Maisenberg decision, the Justice Department has withdrawn almost all of the 60 denaturalization cases it had started.

**American Committee for Protection of Foreign Born:** 1958 marked the close of 25 years of work by the ACPFB. Toward the end of the year, it announced publication in April 1959 of a book, "The Torch of Liberty," by Prof. Louise Pettibone Smith, a history of the organization's work and the treatment of the foreign born in the United States from 1933 to 1958.

### POWELL-SCHUMAN "SEDITION"

As publishers and editors of the *China Monthly Review* before and during the Korean War, John and Sylvia Powell and Julian Schuman had printed articles saying that in the Korean war the U.S. engaged in aerial germ warfare against China. In April, 1956, three years after their return to the U.S., all three were indicted under the Espionage Act of 1917—the first time that a wartime sedition act had ever been applied to an undeclared war. Their trial started January 26, 1959, in the Federal District Court in San Francisco, Calif.

At the trial, John Powell contended that he published the articles in good faith, based on information from sources he considered reliable. A. L. Wirin, defense attorney, had finally received permission to interview possible witnesses in China. This permission was granted only after Federal Judge Louis E. Goodman threatened to dismiss the case unless the defendants were able to present the necessary evidence. Early in 1958 Wirin took depositions in China and North Korea, and reported that a thousand witnesses were ready to testify for the defense if he were permitted to bring them from China to the U.S. The

government meanwhile had dropped some of the charges against the defendants rather than reveal evidence dealing with alleged preparations for germ warfare in Korea.

Judge Goodman on January 30, 1959, declared a mistrial because of newspaper and radio treatment of his remarks on "treason." But the Justice Department immediately filed against the 3 defendants a complaint of alleged "treason", a more serious charge which carries a maximum penalty of death.

### SOBELL APPEAL

Morton Sobell, serving a 30-year sentence for alleged "espionage", was transferred in February, 1958, from Alcatraz, federal prison in California, to continue his sentence in Atlanta Penitentiary, Georgia. In Atlanta he is much nearer his wife and children and his mother, and he has at least some privileges, such as use of the prison library, denied him in Alcatraz.

This was the first time the government had made any concession in answer to the appeals of thousands in this country and abroad for justice in this case. On January 6, 1958, the U.S. Supreme Court for the 9th time denied appeals for a judicial review of Sobell's conviction. On November 7, 1957, it had rejected without comment the defense petition based on contentions that Sobell had been illegally kidnapped in Mexico and that perjured testimony had been used against him.

Justice Hugo L. Black of the Supreme Court had stated in relation to the Rosenberg-Sobell record in 1953 that this court "has never reviewed this record and has never reaffirmed the fairness of the trial." That statement is still true. Julius and Ethel Rosenberg were executed in 1953, after the high court had refused to review their case.

A plea for commuting Sobell's sentence was issued February 21, 1959, by seven theologians and professors of law as individuals. Led by Reinhold Niebuhr, the group stated that commutation of sentence would be a practical demonstration of "disciplined and humane administration of justice" in a case clouded by aroused emotions.

### ANTI-NEGRO AND ANTI-SEMITIC BOMBINGS

Between January 1, 1955 and November 10, 1958, there were 72 bombings and attempted bombings of Negro homes, churches and schools, and of synagogues or Jewish Centers in 4 southern states.

The American Jewish Congress reported that 25 of these bombings were in Birmingham, Ala. and 17 were in Tennessee.

In 34 or nearly half of the bombings, the attack was on Negro homes, 6 were on Negro churches, 6 were on Negro or integrated schools, and 7 were on synagogues and Jewish Centers. The others were on places of business or were listed as "miscellaneous."

Bombings of schools and the dates were as follows: In Tennessee, the East Nashville public school, which had admitted one Negro child, September 10, 1957; Chattanooga, Howard School for Negroes, January 19, 1958; Miami, Fla., school connected with Temple Beth El, March 16, 1958; Charlotte, N. C., Negro school, March 20, 1958; Jacksonville, Fla., Junior High School for Negroes, April 28, 1958; Clinton, Tenn., newly integrated High School, October 5, 1958. These were all actual bombings and do not include attempts, conspiracies and threats or those associated with school desegregation.

In very few instances was any effort made to find and prosecute those responsible for the bombings. After the Jewish Temple at Atlanta, Ga. was bombed on October 12, 1958, George Bright was accused of the bombing and tried in December, 1958. The first hearing was declared a mistrial; he was tried again in January, 1959, and acquitted. Four others were indicted with Bright but were not brought to trial.

## ARRESTS FOR PEACE ACTION

Increased activities for peace and against nuclear bomb tests in the past two years have resulted, in some cases, in the arrests and imprisonment of those demonstrating against war preparations. The following are examples of these persecutions.

A number of persons associated with the *Catholic Worker* have openly refused since 1955 to take part in "air raid" drills. They notify authorities that they will not participate in such so-called "defense" measures. In 1957, for example, in New York City 12 persons disobeyed the order to take shelter during drills and were each sentenced to 30 days in jail. Four of these, Dorothy Day, Ammon Hennacy, Kerran Dugan and Deane Mowrer, were from the *Catholic Worker* while the others joined with them and pleaded "guilty".

Again in 1958 at the Atomic Energy Commission office on Columbus Ave., N. Y. City, when the group demonstrated against the drills, 9 were arrested, pleaded guilty and were given suspended sentences.

In Cincinnati, Ohio, on December 26, 1958, Rev. Maurice Mc-

Crackin, pacifist pastor at St. Barnabas Church, was jailed for refusing to pay income taxes for war purposes. He was sentenced to 6 months in prison and a fine of \$250 by a federal judge.

Earle L. Reynolds described in *The Nation* (Nov. 15, 1958) the forbidden voyage of the yacht "Phoenix" which sailed in mid-1958 into the nuclear-testing zone near Eniwetok in the Pacific Ocean. Four men, including the ex-naval officer, Albert Bigelow, and others of the crew of the yacht "Golden Rule" had just been arrested in Honolulu as they were planning to sail into the zone in a protest against war and nuclear tests. The Atomic Energy Commission had forbidden all unauthorized Americans to enter the zone.

Reynolds, his wife, son and daughter and a Japanese from Hiroshima on the "Phoenix" decided to take the place of the "Golden Rule" and sail into the forbidden zone in protest against the tests. Armed Coast Guard men boarded the yacht, June 30, and arrested Reynolds. His trial was rushed through the district court in Honolulu with no adequate defense permitted, and he was sentenced September 25, 1958, to 6 months in prison, plus 18 months' probation. The case has been appealed to higher courts.

**At Cheyenne Missile Base:** At the Atlas Intercontinental Ballistic Missile base, Cheyenne, Wyoming, several pacifists demonstrated in August, 1958, in protest against such missile bases. On August 19, Kenneth Calkins and Rev. Theodore Olson of Fallsington, Pa., sat down at the base gate and refused to move. Air Police looked on while a 12-ton loaded gravel truck was signalled forward by a construction foreman and ran into Calkins who was so badly injured that he was in a local hospital for 10 days. Calkins, his wife Eleanor, Olson and Arthur Springer were all arrested and fined. Olson and Mrs. Calkins each served 100 days in jail in lieu of paying fines of \$100 each. Springer was tried September 9, fined \$75 and costs and served the equivalent of the fine in jail.

Two others, Erica Enger of Chicago and John White of Lansdowne, Pa., picketing the base on August 27, were arrested, fined and served out the fines in jail.

## VI. POLITICAL AFFAIRS

### EIGHTY-FIFTH CONGRESS OF THE U.S.

First session of the 85th Congress, January 3-August 30, 1957, will be remembered chiefly by the fact that it passed the first civil rights law in 82 years. The measure was far weaker than the one originally proposed. President Eisenhower's vacillation on this, as on other proposed legislation, was responsible for the inadequacy of the final result.

In the field of social and labor legislation Congress passed bills to raise the pay of federal classified and postal workers but they were vetoed by the President. It passed a housing bill which provided moderate grants for urban renewal and lower down-payment requirements on government insured loans.

When Eisenhower failed to give full support to a bill which embodied his program for school construction, the House voted by a close vote against authorizing grants totalling \$1.5 billion to the states over a five-year period for school construction.

Second session of the 85th Congress, January 7-August 24, 1958, passed legislation chiefly of a "middle-of-the-road" character. The most historic action was the vote to admit Alaska as the 49th state of the union. And by a close vote Congress was able to defeat all moves to curb the power of the U.S. Supreme Court. This included defeat of the Jenner-Butler bill to restrict the Court's appellate jurisdiction, and a bill which would have limited the court's power to interpret acts of Congress.

Through Pres. George Meany, the AFL-CIO praised the credit side of the record of this Congress in both its first and second sessions. On this side were included passage of a bill requiring full disclosure of health and welfare funds, the enactment of depressed areas legislation, improvements in the social security law, and "badly needed" wage increases for government employees. Its major failure, said AFL-CIO, was "in the area of counteracting the effects of the economic recession," for example, its failure to cut taxes for low and middle-income groups. (See AFL-CIO legislative report, *Labor Looks at the 85th Congress*, Oct., 1958.)

Americans for Democratic Action, a liberal organization, selected 12 roll-call votes which it said indicated that the average Democratic Senator supported the liberal position 64% of the time; the average Republican supported it only 29% of the time.

Labor's Non-Partisan League, political arm of United Mine Workers, said the 85th Congress as a whole "was not a progressive Congress. The major portion of legislation adopted was directed against the well-being and welfare of the average citizen . . . the majority of its members were controlled by and pledged to support legislation favorable to the big business interests of the country."

Republicans and Southern reactionary Democrats together prevented the passage of much progressive legislation. The vote was very close on many issues and had the Southerners not lined up with Republicans more progressive laws would have been enacted. For example, as the *New Republic* pointed out, September 22, 1958, in discussing the second session, "One more vote in the Senate would have increased public assistance payments to the aged and blind and lowered interest rates on loans to communities for public works. Eight more votes in the House would have provided a \$2 billion loan fund to communities for the same purpose. . . . Thirty more would have put through a food-stamp plan to distribute \$1 billion in surplus commodities to needy families. Thirty more votes in the House and six in the Senate would have given us a reasonably adequate unemployment compensation system instead of the token insurance plan that was passed."

Action in the second session on various measures of major interest to labor are listed below in alphabetical order. (Additional facts on certain topics are given in other sections of this book under appropriate headings.)

**Depressed Areas Redevelopment:** A bill—The Areas Redevelopment Act of 1958—was passed by both Houses. It aimed "to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas," and it provided about \$280 million for this purpose. At the time of the passage some 46 American cities were in the category of chronic unemployment. They were found in such industrial states as Connecticut, Illinois, Michigan, Minnesota, New York, Pennsylvania and West Virginia. The bill was vetoed by the President, who contended that such development should be financed by local governments and that it covered more than areas of chronic unemployment.

**Education:** Despite the revived demands for federal aid to educa-

tion at all levels, the bills introduced were limited mainly to higher education and to science and mathematics. The National Defense Education Act of 1958, passed largely in response to the competition stimulated by the success of the Soviet Sputniks, contained no provision for scholarships. It provided only for loans to college students and graduates at low interest rates.

In the face of the great need for federal aid for school construction, all efforts in this direction were defeated. As AFL-CIO put it, "the President proved his disinterest by failing to recommend school construction legislation."

**Foreign Policy:** Apart from a few critical remarks by a handful of liberals in both houses, there was no congressional debate on the Eisenhower action in landing marines in Lebanon in the summer of 1958 or on any other phase of U.S. foreign policy. The "non-partisan" policy of leaving it all up to Dulles was continued, with Congress ready to pour even more money into the cold war than the State Department requested.

The \$3.3 billion "foreign aid" ("Mutual Security") measure, however, provided for \$600 million less than the White House had requested. The reciprocal trade program was extended for four years despite efforts to defeat it by high tariff "protectionists" in both parties.

While stingy with funds for the people's welfare the second session alone appropriated \$39.6 billion for the Defense Department, or \$816 million more than had been requested by the Administration.

**Housing:** Congress killed a \$2.4 billion slum clearance and urban renewal bill in the face of efforts of the mayors of dozens of cities and the labor and progressive forces to continue at least the program that had been started in earlier years. Although the bill passed the Senate easily, Chairman Howard W. Smith (D., Va.) of the House Rules Committee refused to refer it to the floor of the House. The vote to suspend the rules was 251 for and 134 against, or 6 votes short of the two-thirds necessary to overcome the chairman's decision. This was the largest housing vote ever racked up, but because of the rules of the House, no housing bill was passed. The National Housing Conference *Newsletter* (August, 1958) commented: "This degradation of democracy wherein a despot with wispy personal judgment can usurp presidential veto powers, smells to high heaven."

**Labor-Management Reform:** With the purpose of eliminating objectionable practices that had been uncovered by the McClellan committee, a bipartisan measure, the Kennedy-Ives anti-racketeering

bill was introduced with the support of AFL-CIO leaders. The Senate passed the bill but the House refused to act. Right-wing Republicans introduced a series of amendments which were more anti-union than anti-corruption. United Mine Workers, United Electrical Workers and other independents opposed this legislation on the ground that it would further restrict the legitimate activities of unions.

**Minimum Wages:** Congress did nothing to extend federal minimum wage protection under the Fair Labor Standards Act to about 10 million workers, especially in retail and service trades, agriculture and construction. Nor did it raise the minimum wage for those already covered, which remains at \$1 an hour, while the standard workweek is kept at 40 hours.

**Public Power, Public Works and Atomic Energy:** A bill providing for a federally constructed high level dam at Hells Canyon on the Snake River at the Idaho-Oregon border in the Pacific Northwest died in committee, as did several other power development projects including a bill to permit the Tennessee Valley Authority to finance expansion through the sale of revenue bonds.

Congress failed to enact any broad public works program. A community facilities bill to provide funds for 50-year loans to cities for public works, was supported by the Democratic majority. But when a vote came on increasing the fund for loans to municipalities, the House killed the measure.

The struggle between public and private interests over atomic energy continued, with the Atomic Energy Commission lining up with the private corporations in blocking the development of public ownership in this field. During the second session, however, Congress approved the construction of a natural uranium reactor which could be adopted later for the production of power. Thus, as the AFL-CIO legislative report put it, "the 85th Congress was able to force AEC acceptance of an atomic power program, which made a substantial step forward in the development of peacetime atomic power."

**Small Business:** Although, as one source indicated, the legislation passed by this Congress "appeared unlikely to halt the trend toward concentration of industry, it offered some hope of improving the chances of many small enterprises for economic survival." Through the Small Business Investment Act it provided some funds and the administrative machinery for making loans to small business through private investment companies. Tax relief granted to small business was estimated at around \$260 million a year.

**Supreme Court Measures:** As a result of its civil liberties and civil rights decisions during the last few years, the U.S. Supreme Court was subject to bitter attack by Southern Democrats and Right Wing Republicans. But the Jenner-Butler bill to strip the court of many of its powers was finally tabled. Another bill, which had passed the House repealing the doctrine of federal pre-emption of state authority, came within one vote of passage.

**Taxation:** Although most economists, as well as labor and many employer organizations, favored a tax cut as the quickest and surest recession remedy, Congress took no steps in this direction. It merely continued the taxes in force, and the Senate voted down an effort by Sen. Douglas (D., Ill.) to reduce income and excise taxes by about \$6 billion. An attempt to increase personal income tax exemptions to \$800 was rejected.

The Senate also refused to close one of the major loopholes in the tax structure, the 27.5% depletion allowance given to oil and gas companies. The vote killed a measure to confine this benefit to producers with incomes of \$1 million or less a year.

**Unemployment Compensation:** As noted elsewhere, a coalition of Southern Democrats and Republicans defeated the labor-supported bills to increase the present inadequate unemployment compensation. Instead, an Administration bill was passed providing for federal loans to states desiring them for the extension of unemployment benefits for a maximum of 13 weeks. AFL-CIO Pres. Meany called the measure as passed by the House, "the biggest hoax ever perpetrated on the unemployed workers of America."

**Wages of Federal Employees:** Despite presidential veto in the first session, both houses passed an amendment to the postal rate increase bill providing for an average 10% increase in wages for most postal employees. After it was signed by the President, both houses also passed and Eisenhower signed a bill granting a 10% increase to federal classified employees.

## 1957 ELECTIONS

Several state, municipal and special elections in 1957 showed a trend toward liberal Democrats. In the spring state-wide elections in Michigan, labor-backed candidates took all 10 state offices up for election. In a special election in Texas a labor-backed candidate was elected to the U.S. Senate, and in New Mexico a congressional race was won by a labor-supported candidate.

In the special election for U.S. Senator in Wisconsin, labor played a decisive role in the election of liberal Democrat, William Proxmire. And in the November election, labor helped re-elect Democrat Robert Meyner governor of New Jersey. In that state also in legislative races, four AFL-CIO members won election and two who were incumbents were re-elected. A Democratic state assembly was elected for the first time in 20 years.

In a number of elections for city councilmen, the labor and liberal-supported candidates won, for example in Detroit, Cleveland, Akron, Pittsburgh, and Philadelphia. Several of these were active in the Americans for Democratic Action and a number were prominent Negro community leaders. In Bridgeport, Conn., Socialist Jasper McLevy, mayor since 1933, lost narrowly to a Democrat.

In New York City, Robert Wagner was re-elected mayor. Only one Republican councilman out of 25 was elected, Stanley Isaacs, an outstanding liberal and champion of anti-bias legislation, who had also Liberal Party support. In addition to a Democratic sweep in New York City, that party won 28 out of 50 mayoralty elections in New York State, and made gains in Republican strongholds in N. Y. City suburban areas.

In New York City, Joyce Cowley, mayoralty candidate of the Socialist Workers Party, received 13,900 votes; Eric Haas, Socialist Labor Party candidate, polled 4,600 votes. In San Francisco, Frank Barbaria and Joan Jorden, two candidates endorsed by the SWP, received 17,082 and 15,636 votes respectively, or slightly over 8% of the total vote for supervisor in the city election.

Elizabeth Gurley Flynn, member of the national committee of the Communist Party, campaigned for the New York City Council in the 24th District in Manhattan's Lower East Side, under the banner of the People's Rights Party. Over 4,000 registered voters signed the petition to place her name on the ballot, and in the election she received 710 votes out of about 70,000 votes cast. Democrat D. S. Weiss won with 41,902 votes.

### ELECTIONS OF 1958

In the 1958 mid-term election, November 4, the Democrats greatly increased their control of Congress. The Republican Party, as the *Wall Street Journal* noted, was "not merely defeated but buried under an avalanche."

In the U.S. Senate, where 33 seats were at stake, the Democrats

increased their strength from 49 to 64, while the Republicans in the Senate fell from 47 to 34. The Republicans lost 13 and the Democrats gained 15 including the 2 new Senators from Alaska.

In the House, where all seats were being filled (436 with Alaska) in this election, the Democrats increased their strength from 235 to 283. The Republican strength fell from 200 to 153. This was the biggest Democratic gain in ten years, and gave them the largest margin since the Congress elected in 1936. In 31 states (including the "Solid South" and 5 border states) the Democrats won a majority of House seats, in 8 states Republicans won a majority of seats, and in 9 states the two parties broke even.

The Democrats won a majority of congressional seats in Illinois, Pennsylvania, California and Indiana where the Republicans had previously dominated the delegations.

In Connecticut and Maryland the Democrats swept the entire House delegation. Vermont elected William H. Meyer to its only congressional seat, the first Democrat to this post in over 100 years. He campaigned for an end of atomic tests and the manufacture of atomic and hydrogen weapons; for steps leading to admission of China to the U.N., more extended negotiations with the Soviet Union, abolition of the peacetime draft, and a complete change in foreign policy.

In the Maine election, September 8, Gov. Edmund S. Muskie (D.) had won over Republican rival F. G. Payne. Muskie is the first popularly elected Democratic Senator in Maine's history. For Governor, Clinton A. Clauson (D.) won over ex-Gov. H. A. Hildreth (R). Two of Maine's 3 seats in the House also went to Democrats whose victory was influenced by the economic recession in some of the industrial towns, and President Eisenhower's veto of the bill to aid depressed areas.

After the election the Democrats found themselves in control of both houses of the legislature in 40 states while the Republicans controlled only 7, compared with 17 in 1956. (Two states—Minnesota and Nebraska—have nonpartisan legislatures.) There were 1,166 Democratic members of state senates compared with 591 Republicans, while in state lower houses there were 3,721 Democrats against 1,939 Republicans. In the 50 largest cities of the U.S. there were 36 Democratic mayors and 10 Republicans with 4 designated as nonpartisan.

**Defeat of Some Reactionaries:** Among Republican reactionaries and McCarthyites defeated in their bid for re-election to the U.S. Senate were John W. Bricker (Ohio), Frank A. Barrett (Wyoming),

Edward Thye (Minn.), George W. Malone (Nevada), Arthur V. Watkins (Utah), Charles E. Potter (Mich.), William A. Purtell (Conn.), and Chapman Revercomb and John D. Hoblitzell (W. Va.). On the other hand, Barry Goldwater, leading foe of organized labor, was re-elected in Arizona.

The defeat of William F. Knowland in his bid for governor of California as a step to the U.S. Presidency, was especially significant. He had forced the incumbent Republican Governor, G. J. Knight, to run for the Senate, and both were beaten, Knowland by Edmund G. Brown and Knight by Rep. Clair Engle. The strength of the labor and progressive forces, Knowland's support of the "right-to-work" proposition, and the unity of the Democrats were main factors in this sweep in California which also brought Democratic control of both branches of the legislature and gave Democrats 16 out of 30 seats in the House delegation in Congress.

**State Governors:** In the 34 states voting in 1958 for a governor 26 Democrats were elected and 8 Republicans. This made 35 states with Democratic governors, the largest total since 1936, and 14 states in Republican hands. The Democrats showed a net gain of 6 governors, wresting 10 new posts (including Alaska) from the Republicans but losing 4, including New York State.

A big upset for the Democrats came in New York where Nelson A. Rockefeller, grandson of the oil baron, John D. Rockefeller, was elected governor over Democrat Averell Harriman, a lesser millionaire who had been originally elected in 1954. The vote was 3.2 million for Rockefeller against 2.5 million for Harriman.

Rockefeller, with a reputed wealth of possibly \$500 million, had plenty of funds and a "pleasant personality." He kept the Republican label off much of his campaign material and did not get involved in attacks on the Democrats as such, only vigorously attacking Harriman and his political boss Carmine DeSapio, Tammany leader. Rockefeller, in fact, posed as a liberal and came out for continuance of rent controls, more government-financed housing, and civil rights. He opposed "right-to-work" laws, cuts in relief that were advocated by other Republicans, and took a strong pro-Israel stand. He also dissociated himself from both Eisenhower and Vice President Nixon, especially after they launched their charges of "radicalism" and "spendthrifts" against the Democrats. He refrained from discussing international issues or referring to the super-armament program the Rockefeller Brothers Fund had advocated in their report earlier in the year.

**Alaska Vote:** Alaska, the 49th state, voted on November 20, the Democrats making a clean sweep with the election of the two U.S. Senators and one Congressman, as well as the Governor and Secretary of State. All were regarded as liberal-type Democrats. They won control also of the 22-seat State Senate and the 40-seat House. A report to the *N.Y. Herald Tribune*, Nov. 30, called the new government "a labor government under the Democratic banner." One of the Senators was Ernest Gruening, who served as Governor of the Territory of Alaska for 13 years, promoting New Deal legislation and fighting the salmon shippers and other big corporations who had exploited the country.

**Farm Vote:** Voters in states with big farm votes contributed to the Democratic victory as a result of the opposition to the policies of Secretary of Agriculture Benson. In the Midwestern farm states Democrats scored a net gain of 21. The Republicans took only 1 seat from the Democrats but suffered losses in 9 of the 11 states in that region.

Farm Research, in its *Facts for Farmers* (Dec. 1958), reported that of the total House seats lost by the Republicans, the farm vote was probably the major factor in at least a third, and was a contributing factor in others. The conservative U.S. News & World Report (Nov. 21) said there was "a strong Democratic trend among farm voters of the Midwest. . . . Farmers, in the main, expressed dissatisfaction with the Republican Party. They voted for a change, and in doing so were responsible for the defeat of some Republican candidates and played a big role in the defeat of others."

**Factors in Democratic Sweep:** All commentators on the election agreed that recession and unemployment were main factors in the Democratic trend. In reports from the various areas the words "recession," "unemployment," "movement of mills" (from New England, for example), "worry over jobs," opposition to "right-to-work" laws, "depression" (in the mining regions, for example), and "high cost of living" were phrases that appeared repeatedly in explanations of Democratic triumphs. With some exceptions the Republican losses were heavy and most frequent in districts where industrial workers comprise more than 50% of the electorate.

The Washington representative of the Longshoremen's and Warehousemen's Union attributed the general Democratic sweep to labor solidarity achieved over the "right-to-work" law issue, some dissatisfaction among Negroes over the Republican Administration's lack of

action on desegregation, some uneasiness over the Dulles foreign policies, and a desire for "more youth, more intelligence, more action in Congress." So, although there were no clear-cut alternatives on national issues, "what the people registered was a repudiation of the worst aspects of reaction. It was a protest vote against the look-backward policy of the Administration, against union-busting, against the political hacks of the McCarthy period."

Robert E. Howe, director of Labor's Non-Partisan League (Mine Workers) said "the depression was the main factor that caused the overwhelming defeat of the Republican party . . . plus the 'right-to-work' campaign which brought workers out in droves." The vote against the Republicans came not only from organized workers "who arose to meet the threat of losing the protection of their unions," but "from millions of unemployed who were not 'sold' by the disciples of Republicanism on the idea that the depression is over."

An editorial in the same issue of the mine union journal added: "A lot of people voted against Republicans because they don't want to get into another world war over a couple of tiny islands off the China coast."

Following the election the executive council of the AFL-CIO said the voters "rebuked those cynical politicians and big business reactionaries who thought to make political capital out of the isolated instances of corruption in labor's ranks."

Americans for Democratic Action, a national liberal organization, interpreted the elections as a demand for a New Deal. Its concept of a New Deal included such goals as would within a generation "end poverty in the United States; eliminate slums and provide a decent home for every American family; offer a first class education to every American child; bring the miracles of modern medical science to every American when and as he needs them; secure equal rights and opportunities and civil liberties for every American. . . ."

**Number of Voters:** About 76 million persons were registered to vote in the 1958 elections out of about 104 million eligible for registration. Total votes cast were over 47.8 million, the largest number ever reached in a mid-term election, but far below the record 62 million who voted in the Presidential election of 1956.

The total vote for House candidates was about 45.7 million with the Democrats polling over 56% of this total. Some 8.6 million fewer votes were cast for Republican House candidates than in 1956. However, if eleven southern states are omitted, the Democratic edge was

only about 3.6 million. The number of votes counted for House candidates, other than Republicans and Democrats, was less than 181,000 or about 0.04% of the total.

## LABOR IN THE CAMPAIGN

Some of the organizations through which organized labor worked in the 1958 election campaign were: Committee on Political Education (AFL-CIO); Labor's Non-Partisan League (United Mine Workers); Railway Labor's Political League, and several other political action organizations operated by separate unions such as the Machinists, Railroad Trainmen, Clothing Workers, Auto Workers and Steelworkers.

A *Wall Street Journal* writer summed up the exaggerated fears of big business when he wrote that, "It could almost be said that COPE, the political arm of the AFL-CIO, was the true winner at the polls of November 4."

Undoubtedly the labor vote was solidified in the states where the voters were acting on "right-to-work" proposals. Such labor unity helped the Democratic fortunes especially in Ohio and California, key industrial states, as well as in Colorado (although the Republican candidate was also a winner there) and in Washington where this restrictive legislation was rejected by the voters. In Idaho the voters beat the proposal but also returned to office a Republican governor. In Kansas, the least industrialized of the six states, they approved this ban on the closed shop but re-elected a Democratic governor.

After the ballots were counted it was apparent that the new House of Representatives would have at least 237 members endorsed by AFL-CIO, with an added number to come when new unclassified legislators were weighed on the basis of their votes on relevant issues. In the Senate at least 64 Senators were then regarded as pro-labor.

Among 30 Senate candidates who were endorsed by state COPE's or state bodies in states where the AFL-CIO merger had not yet been effected, 23 or 77% were elected. Of 293 House candidates supported by state and district COPE's, 182 (or 62%) were elected. Among the candidates for state Governor, state COPE's endorsed 23 and 17 of these won, the biggest successes being in California, Connecticut and Ohio.

## POLITICAL ACTIVITY OF CORPORATIONS

One feature of the 1958 election campaign was the more extensive

political activity of the big corporations. In addition to making the usual large contributions through individuals to party chests and committees, the companies in 1958 encouraged their executives and salaried staffs, with plenty of money, to participate in political activity from the precinct level up.

The chief forms taken by this increased political activity of the corporations were listed as more active campaigning on legislative issues such as the "right-to-work" referendum in six states; and the compiling and circulating of information about candidates with at least endorsement by implication if not by open declaration.

Some of the companies active in this type of campaigning were General Electric Co., General Dynamics Corp. and Boeing Airplane Co. (with more military contracts than any other companies), Gulf Oil Corp., Aerojet-General Corp., Ford Motor Co., Johnson & Johnson, Sears, Roebuck & Co. and Timken Roller Bearing Co.

General Electric took the lead in the political offensive. In April, 1958, it set up its own political action committee ("government relations department") to get what it called a "better business climate." This campaign was headed by G.E. Vice President L. R. Boulware who has long advocated aggressive political action by corporations. In Syracuse, N. Y., for example, GE set up the "Syracuse Practical Politics Subcommittee" with the local manufacturers association to train businessmen and their aides in political action. It distributed its plans as a model for other cities. Boulware was one of the business speakers on behalf of "right-to-work" laws in the 1958 campaign, and G.E. and other companies pushed for such legislation in California and Washington state.

In announcing its political program in September, 1958, Gulf Oil said that it "and every other American corporation is up to its ears in politics." It stated its fears of labor's political power and said, "there is no place in the United States", where a force to counter labor "can be generated except among the corporations that make up American business."

Attempting to explain the new corporate interest in practical politics, Donald I. Rogers, business and financial editor of *N. Y. Herald Tribune* (Oct. 12, 1958), said that "The target is not so much the convenient whipping boy of unionism as it is the slow, steady—and dangerous—march of this country toward practices that induce socialism."

**Help From Hate Groups:** This attack on a mythical danger of socialism was expressed also by big corporation executives in their

contributions to such active "hate groups" as the Constitutional Education League directed by Joseph P. Kamp, an anti-Semitic, anti-union pamphleteer and strike-breaker of long standing.

A Kamp pamphlet attacking Walter Reuther of the AFL-CIO was circulated by backers of Republican Sen. William F. Knowland in his unsuccessful bid for the governorship of California. The pamphlet was bought in quantity by Knowland's wife. Such major capitalists as Donaldson Brown, a director of General Motors and C. S. Mott, the largest stockholder in General Motors, and Chairman Charles M. White of Republic Steel were among those who contributed to the fund for the distribution of the scurrilous Kamp pamphlet. Kamp had served a four-month sentence for contempt of Congress in 1950 when he refused to reveal the financial supporters of his organization.

A much more powerful anti-labor organization and one of the richest lobbies in the country, the Committee for Constitutional Government, was also active in the campaign, directing its main fire at labor through full-page ads attempting to smear Pres. Walter Reuther and other union leaders. It urged the rich to make their checks payable to the Constitution and Free Enterprise Foundation, Inc., a subsidiary claiming tax exemption as an "educational" institution. In return for this contribution it sent the donors copies of Donald R. Richberg's *Labor Union Monopoly, A Clear and Present Danger*. In case the checks were made payable to the Committee for Constitutional Government itself, the advertisement told the potential contributors they could deduct it as a "legitimate business expense."

Following the election the Internal Revenue Service, on the demand of Democratic Senators, took steps to revoke the tax-exempt status of the Constitution and Free Enterprise Foundation. Senator Green (D., R.I.) told the tax agency that the foundation had engaged in "malicious political propaganda."

Commenting on this tax-exemption racket, the railroad weekly, *Labor*, said: "Union members who send in their dollars to labor political groups have to pay income taxes on those dollars. But the rich corporations and individuals who finance the CCG's 'smear labor' political barrage go tax-free on that money. When will the U.S. Treasury crack down on this scandal?"

On a nation-wide scale the Chamber of Commerce of the United States also has been active in the drive to get legislators and others elected who would "help establish a more favorable attitude toward business."

Another organization, newly created in August, 1958, to express corporate policies on the political front, is the Americans for Constitutional Action, set up to preserve "our system of free enterprise and private property." Among its leaders are the chairmen of Jones & Laughlin Steel Corp., Armstrong Cork Co., McGraw-Edison Co., and the general counsel of the Southwestern Bell Telephone Co. At the beginning of 1959 it was engaged in a campaign to raise \$500 million to fight liberals, labor and progressive legislation.

### NEGROES ELECTED TO PUBLIC OFFICE

No significant gains were made in the number of Negroes elected to Congress and the various state legislatures in 1958. The four Negro Democratic members of Congress—Adam C. Powell of N.Y. City, William L. Dawson of Chicago, Charles C. Diggs Jr. of Detroit, and Robert N. C. Nix of Philadelphia—were all re-elected, Dawson for his tenth term, Powell for his ninth. In proportion to population the Negro people should have at least ten times this number of representatives in Congress. There are no Negroes in the U.S. Senate.

In Illinois Richard Harwood became the first Negro to be elected to a statewide office, a trustee of the University of Illinois. Mrs. Floy Clement became the first Negro woman to sit in the Illinois legislature, and Mrs. Madeline Williams was the first in the New Jersey legislature. Both ran as Democrats. In Illinois also, three Negro Republicans were re-elected to the House and one to the state Senate. Including the Democrats, 10 Negroes were elected to the Illinois legislature.

In Indianapolis, Mercer Mance became the first Negro judge elected to the state Superior Court. And James Hunter became the dean of the Indiana legislature, with 20 years of service. As part of the Democratic sweep in Connecticut, Wilfred Johnson, a Negro candidate, for the first time in state history won a seat in the state legislature.

In Maryland two Negro women were elected to the House of Delegates and one Negro was elected to the state Senate. Nine Negroes were re-elected to the Michigan House and one to the Senate. In Detroit Elvin Davenport became the first Negro judge elected to the Recorders Court. Seven Negroes were elected to the Pennsylvania General Assembly.

Four Negroes were again elected to the Missouri House, and New York State continued to have four in the Assembly and one in the Senate. In Massachusetts Negro representation in the state legislature

increased from one to two. One was re-elected in California; one in Kansas; two in Indiana.

In Louisville, Ky., Woodford R. Porter was elected to the city Board of Education. In Houston, Texas, Mrs. Charles E. White, 42-year old former school teacher, winning a place on the School Board, became the first Negro in recent times to gain any elective office in that city.

Discussing Negro efforts in the South to obtain public office, *Wall Street Journal* (Aug. 22, 1958) reported that a Negro ran for Congress in the Democratic primary in New Orleans in 1958, the first Negro to try for Congress in Louisiana in this century. In South Carolina four Negroes ran for the state House of Representatives, and another sought a seat on the city council of Sumter; a Negro minister ran for alderman in Savannah, Ga.; another Negro ran for councilman-at-large in New Orleans; Negroes ran for school board posts in two counties of North Carolina; and "Florida, Tennessee, Arkansas and Texas are among other Southern states where Negroes have run for office in recent months." There were candidates also in Richmond, Va.

In some southern cities Negroes had earlier gained public office as shown in previous Fact Books. For example, two Negro attorneys are on the Nashville city council; Chapel Hill and Winston-Salem, N. C., have Negro aldermen; a Negro sits on the Gastonia, N. C. city council, and Durham has a Negro on the local school board, and its second Negro councilman.

**Powell's Victory:** In May, 1958, Tammany District leaders designated N. Y. City Councilman Earl L. Brown to oppose Rep. Adam C. Powell for the Democratic Congressional nomination in the 16th Congressional District in Harlem. This led to a bitter campaign which ended in Powell's victory in the primary election, Aug. 12. The vote was 14,837 to 4,935. Only in the ten predominantly-white election districts of the 7th A.D. did Brown run ahead of Powell. Later Powell ended his feud with Carmine DeSapio, Tammany leader, and backed Harriman for Governor. With both Democratic and Republican nominations Powell's victory in November over Earl Brown, who had the Liberal Party nomination, was overwhelming, with 55,335 votes to Brown's 5,619.

## VOTING RIGHTS OF NEGRO PEOPLE IN SOUTH

About 1,238,000 Negroes were on voting rolls in 11 southern states in 1958. This total represented only about 25% of some 5 million Ne-

groes of voting age in the region, as compared with a 60% registration among eligible white Southerners.

In a special study of *The Negro Voter in the South*, by Margaret Price, the Southern Regional Council reported that Louisiana has shown the greatest gain in recent years in registration of Negro voters. Negroes now make up about 18% of the total registration in Louisiana—the highest proportion among southern states. But in Mississippi registration of Negro voters has leveled off or declined in recent years.

Negroes make up nearly half (41%) of the total population of voting age in Mississippi (Senator Eastland's state) but only about 3% of Negroes of voting age are registered. In its county-by-county study, the Council found that in Mississippi, "the median registration figure for eligible Negroes is less than 1%". In one-third of the counties no Negroes had registered, while in two-thirds less than 1% had registered.

The other 9 southern states show the following county medians of Negro registration in percentages: Alabama, 10.9; South Carolina, 17.4; Virginia, 20; North Carolina, 21.4; Georgia, 25; Texas, 26.7; Arkansas, 30.1; Louisiana, 40.1; and Florida, 44.1. The median in this county-by-county survey represents the median percentage of Negro eligibles who are registered in the various counties of the states.

**Discrimination and Intimidation:** Only 5 southern states now have a poll tax—Alabama, Arkansas, Mississippi, Texas and Virginia. The poll tax was one of the earliest methods of disfranchising Negroes and also many low-income white citizens, and it can still be used to limit registration. But more important recently in disfranchising the Negroes have been the "literacy" and constitutional interpretation tests.

The Civil Rights Commission established under the federal Civil Rights Act of 1957 held hearings in Montgomery, Ala., in December, 1958, on the denial of suffrage rights to Alabama Negroes. They were met with defiance by the voting registrars in 6 counties, who refused to produce their records. Testimony revealed that in the last 5 years more than 800 Negroes had sought to register to vote in Dallas County alone, but only two had been certified.

Among the Negro witnesses at these hearings were a college professor, college chaplain, minister, student, 3 housewives, 4 nurses, 8 farmers, 2 secretaries, 2 teachers, a dietician nurse's aide, retired teacher, a tailor and an architect. Three had PhD. degrees, only 8

had not gone beyond high school, and all were property owners. Yet all but one had been rejected as voters.

The Commission itself, having no enforcement powers, referred the registration officials' defiance to the Department of Justice which was equipped with a civil rights division under the 1957 Act. The Justice Department in February, 1959, sought an injunction against what was described as the systematic denial "for many years" of voting rights to Macon County Negroes. Meanwhile Alabama legislators were pushing legislation that would allow registration officials in 67 Alabama counties to destroy old voter questionnaires filled out by unsuccessful applicants. The Department of Justice needs these questionnaires for use in a pending suit that charges registration authorities there with systematically denying Negroes the right to vote.

Negroes who have boldly asserted their voting rights as American citizens have often been subjected to violence in southern states, and especially in Mississippi. The Southern Regional Council reported: "Where other sections usually rely on one or two means of limiting Negro registration, Mississippi, home of the White Citizens Council, apparently uses them all." Killings of Negroes who sought to vote in this state were recorded in our *Labor Fact Book* 13.

In Bessemer, Ala., Asbury Howard, International Vice-President of Mine, Mill & Smelter Workers and a Negro, was savagely beaten January 24, 1959, because he was leading a movement to assist Negro citizens to register and vote. He, his wife and his son were in the City Hall when he was attacked by a racist mob of 40 or 50 white men who struck him repeatedly with blackjack and knives. Policemen stood by but made no move to protect him. His head was so badly injured that 10 stitches were required to close the wound.

As president of the Bessemer Voters League, Howard had ordered a sign painted with a cartoon reading "Vote Today for a Better Tomorrow." For this "offense" he and the white sign painter were arrested and charged with "breach of the peace." He was sentenced to 6 months on the chain gang and a \$100 fine.

## COMMITTEE POWER IN CONGRESS

After the committees for the 86th Congress were appointed the Washington correspondent of the *Magazine of Wall Street* wrote (Jan. 17, 1959): "Southerners will have their hands on the legislative throttle at the committee level in almost every major operation of the

new Congress. The chairmanships are almost a virtual monopoly of Senators and Representatives from below the Mason-Dixon line. A chairman has only 1 vote, but his authority is almost absolute on the scheduling of bills for hearings, assignment of personnel to conduct subcommittee sessions, on the preparation and forwarding of reports to the floor. The delaying tactics he can invoke can be fatal to the progress or ultimate action on any legislation. That has happened in every session of Congress."

Explaining the workings of the system further, the Legislative and Political Action Bulletin of the Electrical Workers (UE), Jan. 26, 1959, said: "Seniority is the absolute rule in the advancement within a Committee to the powerful position of chairman. Seniority also has a great but not absolutely final influence in deciding whether or not to allot preferred Committee assignments. Actually, in the present situation, the bosses of the House and Senate, Speaker Sam Rayburn (D., Tex.) and Senate Majority Leader Johnson (D., Tex.) have great power over Committee assignments and they use this power to nail down support for their leadership."

Discussing the House Committees, the same union bulletin noted that the Rules Committee "is a most powerful" one. "It acts as a dictatorial traffic cop over legislation, decides whether and how to allow bills . . . to go onto the floor . . . for debate and vote, and misuses this power to force changes in legislation." It is "dominated by a reactionary combination of Dixiecrats and reactionary Republicans." Its chairman is Howard W. Smith (D., Va.) who, admits U.S. News & World Report (Dec. 5, 1958), does not hesitate "to delay or sidetrack measures that offend his 'conservative sensibilities'."

Another strategic committee with jurisdiction over all labor relations legislation, bills on education, wages and hours, and fair employment practices, is the House Education and Labor Committee, whose chairman is Graham A. Barden (D., N.C.). The same reactionary weekly described him as "a prime Congressional barrier" to changes in the labor law. "In the past he has refused to call committee meetings to consider legislation favorable to labor and has simply pigeonholed bills of this sort."

The Southern members, most of them reactionary, dominate congressional committees. Thirteen of 20 House standing committees in the 86th Congress have as chairmen members from the southern states including Kentucky and Arkansas. And in the Senate, of 16 chairmen of standing committees 10 are from the South. In fact, in the Senate

not a single state east of the Mississippi and north of the Potomac, the most populous area of the U.S., has a committee chairmanship.

### LAWYERS, BUSINESSMEN, WOMEN LEGISLATORS

More than half of the membership of Congress have a background of law practice, many of them of course serving business in their professional work. A compilation of the make-up of the Senate and House in the 86th Congress showed that 62% of the Senate members and 42% of the House members were lawyers, while an additional 29% in both chambers reported a background of business and banking.

Trade union papers reported that at least 4 active union members were among the new faces in the 86th Congress, along with 14 others who had won re-election. (In the state legislatures also there is only a scattering of unionists.)

Over the last 42 years, a total of only 58 women have been elected or appointed to serve in Congress. And although women make up at least half of the voters, the 86th Congress contains only 17 women, or one more than the 85th, and equal only to the record set in the first session of the 84th. Five women tried for Senate seats in 1958 but all were defeated, and Margaret C. Smith, Maine Republican, remained the only woman member of the Senate. Forty women ran for House seats and 16 of them won, 8 of them being Democrats who were running for re-election, while 8 were Republicans, including 3 who are new faces in Congress.

After the election, there were a total of 341 women in the legislatures of the 49 states, Hawaii, Puerto Rico and the Virgin Islands. In the state senates Republican women outnumber Democrats 19 to 15 and in the lower houses Republicans have 157, the Democrats 145.

### UNITED-SOCIALIST TICKET IN NEW YORK

A conference attended by nearly 500 persons in June, 1958, led to the formation of a United Independent-Socialist Campaign Committee and the eventual choosing of Corliss Lamont to run for the U.S. Senate on a ticket which included also John T. McManus for Governor, Annette T. Rubinstein for Lieutenant-Governor, Scott K. Gray, Jr., for Attorney General and Hugh N. Mulzac for Comptroller.

The Independent-Socialist Party won a place on the ballot by filing

26,481 signatures. Both Carmine G. DeSapio, Democratic Secretary of State, and Republican lawyers contested some of the filed signatures, but they were overruled by the courts.

Platform of the Independent-Socialist ticket called for "peaceful relations with the rest of the world . . . realistic measures to combat the depression . . . an immediate end to Jim Crow and all forms of discrimination . . . restoration of our constitutional freedoms . . . unshackle the labor movement . . . for democracy, for planned economy, for socialism." On the last point the platform said: "Socialists know that the solutions to the grave problems facing the American people will not come as a gift from well-meaning liberals; such solutions can be won only through gigantic struggles involving labor, the Negro people and other minority groups. Through such struggles, waged on both the economic and political fronts, the American people will replace the profit system with a planned society. Only a socialist economy can end the recurrent crises, war drives, race prejudice and poverty of today and harness the vast resources of our country and the abundant energy of our people to meet the complex needs of the nation in the atomic age."

In his campaign speeches, Lamont advocated cutting the federal military budget drastically and putting these billions into housing, health insurance, education, hospitals and larger unemployment benefits and old age pensions. He pointed out that the U.S. government spends more *billions* annually for war purposes than the U.N. spends in millions annually for the cause of peace. In fact, the \$164 million a day that the U.S. spends for military purposes is about three times as much as the U.N. budget for a whole year.

In the balloting Lamont received 49,087 votes counted, McManus 31,658. If McManus had received 50,000 votes the party could have been on the ballot in the next state election without filing new petitions.

#### PEOPLE'S RIGHTS PARTY, N. Y. CITY

Former City Councilman Benjamin J. Davis, chairman of the N.Y. State Communist Party, was the People's Rights Party candidate for State Senator from the 21st District in Harlem, N.Y. City, in 1958. His supporters filed 6,000 signatures (only 3,000 were needed) to get his name on the ballot. But thousands of the signatures were challenged by Democratic lawyers and the Democratic-controlled Board

of Elections supported the challenge. So Davis' name did not appear on the ballot, and the write-in vote for him was obstructed by the election officials of the two old parties and was not counted. But his active campaign and enthusiastic street meetings over a two-month period left a lasting impression on the people of Harlem.

Communist activity in New York City was concentrated mainly in the lively Davis campaign. However, the Party issued an election platform early in October that stressed extension of unemployment relief and rent control, the need for proportional representation in elections, the end of Jim Crow in housing and of every form of discrimination. Its peace policy called for ending the cold war, the extension of cultural exchanges with other countries, peaceful co-existence and the end of the "terrible armament waste."

### ROBERTS CAMPAIGN IN CALIFORNIA

In California, in the contest for State Superintendent of Public Instruction in the primaries, June 3, 1958, an independent candidate, Holland Roberts, received 397,429 votes in a heavily contested election. He finished third in a field of four candidates. Roberts, a former Stanford University professor, high school principal and for the previous 14 years director of the California Labor School, had strong support from labor and important sections of the Negro and minority group communities.

He was endorsed and supported by the Northern California District Council of the International Longshoremen's and Warehousemen's Union, a local of the United Electrical Workers, the Los Angeles Ministerial Alliance, and leading Negro newspapers.

Roberts drove hard on his demand for \$10 billion federal funds to build 300 new schools in 1959 and another 150 in 1960. He favored cutting class size to 20, ending overcrowding and all double shifts, increasing the quality of teaching by paying competitive starting salaries of \$5,000 and increasing them to \$10,000 in ten years, integrating all schools and ending segregation and discrimination among pupils and teachers.

### KEEPING MINORITY PARTIES OFF THE BALLOT

Discriminatory laws, harshly administered, are used to keep minority parties off the ballot in the United States. The laws vary from state

to state, but their common aim is to make it difficult for minorities to express themselves through separate parties, especially in states where the two old parties have in the past occasionally been threatened by desertions of a sizable number of voters.

The major parties nominate by primary elections or at conventions, but minority parties must nominate by petition unless they have achieved a sizable number of votes at a previous gubernatorial election, for example 50,000 in New York State. The number of signatures required on a petition, their geographical distribution by counties and many other technical difficulties stand in the way of any attempt to get on the ballot.

In New York State the requirement is 12,000 signatures of voters with at least 50 from each of the 62 counties. In Missouri the signatures must equal 2% of the total gubernatorial vote in the preceding election, or a minimum of 36,000. And each signature must be individually certified by a public notary who personally knows the signer, or by two witnesses who can swear to his identity. In Illinois the law requires 200 signatures from each of 50 of the state's 102 counties.

Other roadblocks are put in the way of small parties. For example, many states set filing dates four to six months before the election, long before the campaign has awakened any interest. Others sharply limit the time for gathering signatures. Pennsylvania, for example, requires that they be obtained in a 20-day period. And in many places persons who have voted in the last primary for another party, or who have been affiliated with another party within a specified time limit, are barred from signing petitions.

Many laws are so vaguely worded that technical reasons can be found for invalidating signatures. Besides, there are often extra-legal pressures, with newspapers sometimes publishing the names of signers with a view to blacklisting them.

These various difficulties encountered in getting a minority party on the ballot or an independent candidate elected, were summarized in an article in the *Harvard Law Record* (Oct. 9, 1959) by Ralph Nader and Theodore Jacobs. They conclude that the system is rigged to maintain by rigid statutes "a practical monopoly of the ballot by the Democratic and Republican parties."

## VII. CANADIAN LABOR DEVELOPMENTS

The years 1957 and 1958 were marked by a new recession, with Canadian real gross national product in both years remaining about the same as in 1956. However, the dollar rise in 1957 was about 4% and in 1958 it advanced by another 2% more as the result of rising prices. The decline in industrial production began early in 1957 and continued throughout the year, moving sidewise through most of 1958, but seemingly on an uptrend again by the year end.

The downtrend had been cushioned by a prompt and fairly large extension of social security and government housing support in 1957, plus the continued effect of large-scale construction projects such as the St. Lawrence Seaway and Power and the Trans-Canada Pipe Line.

As in the 1953-54 recession, recovery in employment and decline in unemployment lagged behind the turn in production. Up through January 1959, actual unemployment, including the seasonal element, always serious in Canada due to the winter climate, was running higher than a year before, which in turn had been higher than at any other time since the 1930's. The employment trend fell off in the autumn of 1957 and drifted on down throughout 1958, with less serious increase of unemployment because the rise in the labor force was slowing down.

A significant difference in Canada between this recession and the previous one was the break in the expansion of the world, especially U.S., markets for minerals, including not only copper and other traditional Canadian mineral exports, but also previously untouched reliables such as aluminum and nickel, and even new ones like iron ore and oil. Similarly, Canada was hit by contraction in markets for pulp and paper, joining for the first time in the otherwise general recession affecting the forest industries.

At the end of 1958 labor was worried about unemployment and high consumer prices; management was much concerned about rising costs and the effect on markets abroad. Also there was widespread concern about the U.S. impact on the Canadian economy, and the claim that many U.S. actions were an infringement of Canadian sovereignty.

**Union membership:** Total membership in all Canadian unions stood at 1,454,000 in May, 1958, or 5% above May, 1957, and 7.5% above May, 1956 in spite of economic recession. Nearly 79% of the total were in the Canadian Labor Congress, a slightly higher proportion than in 1956, showing the growing predominance of CLC as the rallying center for Canadian labor. CLC's 1,144,000 members, up nearly 12% from 1956 included 907,000 in "international" unions affiliated also with AFL-CIO in the U.S., plus 55,500 in other "international" unions (mainly Teamsters), and 181,500 in national and regional unions.

The remaining 310,000 union members outside the CLC included 104,000 in the Canadian and Catholic Confederation of Labor (CCCL) in Quebec, Canada's second labor center; just under 10,000 left in the unaffiliated railway brotherhood group (Locomotive Engineers and Conductors); another 80,000 in independent "international" unions, Mine, Mill & Smelter Workers, United Electrical & Radio (UE) and United Mine Workers; 18,000 in a few AFL-CIO affiliates outside CLC; and the remaining 98,000 in a variety of unaffiliated national, regional and local unions.

Largest ten unions in Canada were 6 "internationals" affiliated both to CLC and AFL-CIO (Steel Workers, Carpenters, Auto Workers, Machinists, Woodworkers and Pulp Workers), one "international" with only CLC affiliation (Teamsters), one independent "international" (Mine-Mill), and two national unions with CLC affiliation—the long established Canadian Brotherhood of Railway, Transport and General Workers, and the relatively new National Union of Public Employees, formed by federating the many previously existing direct local charters for municipal workers.

Canadian union membership at mid-1958 covered about 34.5% of all non-farm paid workers, about the same per cent as in 1957 and all years since 1950. Coverage of union contracts, measured by another set of government figures, extends more broadly. At the end of 1956 a total of 1,638,000, about 38.7% of all non-farm workers, were covered by union agreements. Coverage by industry varied from less than 1% in finance, insurance and real estate to about 9% in trade, 13% in service industries, 50% in public utilities, 55% in manufacturing, 59% in mining, 62% in forestry, 64% in construction, and 80% in transportation, storage and communication.

Largest increases in union membership between May, 1956 and May, 1958 were in Carpenters, Teamsters, and Public Employees

(municipal), as well as in a wide range of smaller unions with 5,000 to 15,000 members. Main industrial unions showed little change. Special targets for new organization since early 1958 have been Great Lakes-St. Lawrence area transportation (Teamsters), and Newfoundland woods industries where the Woodworkers established bargaining rights in mid-1958 against unaffiliated regional organizations. However, in early 1959 they were engaged in a prolonged strike which had turned into a battle for survival against the combined forces of the companies and the provincial government.

Special organization projects and opportunities at the beginning of 1959 included organization of a whole complex of land transport, goods handling and shipping in the St. Lawrence-Great Lakes basin in preparation for opening of the St. Lawrence Seaway; a related effort to organize major department stores chains; a drive to unionize hospital employees, against a favorable background of a new nationally-aided hospital insurance plan; and an effort to strengthen union organization in civil service and public utilities.

**Labor Unity:** Canadian Congress of Labor has continued to consolidate its position as the most comprehensive labor center ever known in Canada. Its proportion of total Canadian union membership has risen appreciably. Overwhelming majority of Canada's railway operating workers are now in it and for the first time are linked in one center with non-operating railway workers and workers of other industries.

Unity with Canada's second labor center, the CCCL in Quebec, has not yet been achieved but talks are continuing. In the meantime both sides are observing an unofficial labor truce in Quebec, with considerable cooperation and practically no counter-organizing or raiding. One favorable factor is the growing desire of Quebec labor for political action to oust provincial Premier Maurice Duplessis, a labor-hater of long standing. Another is the decline in Quebec's isolation from English-speaking Canada. The federal election of 1958 was political evidence of this declining isolation: for the first time in over 50 years Quebec did not send a "solid bloc" of Liberal Party members to Parliament, but instead divided its vote about the same way as the rest of Canada. CCCL's latest convention, September 1958, removed a major road block to unity talks when it gave its officers a free hand to negotiate with CLC.

The official position of CLC, reaffirmed at its 1958 Convention, is to offer affiliation to any independent union that will comply with its

constitution. The convention called for renewed effort toward unity, but rejected proposals spelling out or implying an open door to affiliation for those progressive unions such as Mine-Mill, previously expelled by either of the two main central bodies before the 1956 merger.

Within the CLC the merger movement has been further consolidated. Duplications at provincial and local levels have all been eliminated, thus leaving nine provincial federations and 96 local labor councils. Little evidence of the dual origin of the present CLC remains, in structure or in attitudes. And a start has been made in tidying up the organization structure, with new national unions of some bargaining status replacing the many small directly-chartered locals. A start has been made also on realignment of jurisdictions to prepare a better structural basis for organization and bargaining efforts, while further amalgamations, some of Canadian and some of U.S. origin, are being considered.

Few jurisdictional disputes and evidences of inter-union raiding among CLC unions have flared openly. Two cases reached the 1958 convention floor. The unions involved, Operating Engineers and Technical Engineers, were summarily expelled for failing to accept CLC's decisions with regard to jurisdiction and for failing to give assurance that they would abide by the no-raiding rule. Another recent dispute involves complaints lodged by two transport organizations against the Seafarers' union.

As between CLC and non-CLC unions the jurisdictional-raiding issue has also been relatively quiet (with a virtual labor truce in Quebec), except for the Woodworkers' move to oust local organizations from the Newfoundland woods, and the longstanding rivalry between Steelworkers and Mine-Mill. These two unions have been organizing and counter-organizing and claiming mines from each other recently in the Ontario uranium industry. In Alberta the Steelworkers resorted to raids to take over most of Mine-Mill contracts.

**Major Labor Policies:** CLC's second convention, April 21-25, 1958, was attended by 1,539 delegates, almost as many as at the merger convention two years earlier. Major time and attention focussed on two issues, internal organization of the Congress, and political action. Emphasis in economic policy decisions was on measures to offset recession. These included demands for federal government to undertake comprehensive programs of public works, a nation-wide program of social assistance (plus considerable improvement in social

security systems), and measures to spur house building, approval of higher wages and shorter hours (specifically 30 hours a week) to prevent automation from adding to unemployment, and calls for halting evictions, reducing workers' taxes, and making special efforts to increase exports.

The program on international affairs called for resumption of disarmament negotiations (including an effective ban on testing and production of thermonuclear weapons with eventual destruction of stock-piles, effective international control and inspection, agreement on regulation and control of interspace travel), solution of unresolved international issues (including reunification of Germany, peace between Israel and the Arab States, and diplomatic recognition of Communist China), and a Canadian contribution of \$200 million a year to a UN economic development program.

The question of autonomy, e.g. the relationship to the U.S. central body (AFL-CIO) and individual U.S. unions, was not raised directly. But President Jodoin in his presidential speech pointed out that CLC is an "autonomous national labour center" and that "Canadian workers are free citizens in a free nation."

**Political Action:** Most important of all special problems before all Canadian labor in the past two years has been political action. Here the 1958 convention of CLC charted a radically new course. It adopted a resolution calling for establishment in Canada of a new political party, "a broadly based people's movement, which embraces the CCF [Cooperative Commonwealth Federation], the labor movement, farm organizations, professional people and other liberally minded persons." It called on CLC officers to initiate discussions on this proposal for a new party with all such groups, and to bring a draft resolution and program to the next convention.

This resolution goes a long step beyond the compromise agreement of the 1956 convention to establish a political committee for discussions with other labor organizations, farm and cooperative bodies, and the CCF. This 1956 compromise in turn had been a major change from the policy of each of the two labor centers that merged to form the present CLC.

The big leap in political thinking that led up to the 1958 convention resolution was the result of the need to influence government economic policies, relating to recession and unemployment, the need for defense against anti-labor legislation, and, perhaps most of all, the sharp shock of Canada's 1957 and 1958 federal elections. The 1957 elections ended

22 years of Liberal Party governments and brought the Conservative Party to power at Ottawa for the first time since the early 1930's. The 1958 elections gave the Conservatives overwhelming endorsement from coast to coast, wiped out the Liberals' "solid bloc" from Quebec (comparable to wiping out the Democrats' "Solid South" in the U.S.), and practically eliminated smaller parties that had originated in the upheaval of the 1930's, leaving only eight federal members of the CCF and none at all of the Social Credit Party. In effect, the 1958 election marked a return to the two-party system in Canada, with Quebec and the western provinces back in the national pattern. The Conservative sweep was so strong that government majorities were overwhelming and the small opposition completely swamped.

**Collective Bargaining Advances:** Due to the dating of two-year and longer contracts, 1957 was a relatively "off year" in collective bargaining for Canada. Only 30% of the workers under the biggest contracts (covering 1,000 or more workers) were bargaining during the year. The trend to longer term contracts continued, most of them 2-year, some 3-year. Wage gains ranged from 5c to 15c an hour for the first year, with more later in longer contracts. Bargaining tightened along with growing recession. Frequently a serious strike threat was needed to produce a settlement.

Actual number of strikes increased in 1957, with time loss up 25% from 1956, although the number of workers involved was slightly less. Biggest strike of the year was conducted by CCCL at Aluminum Company's Arvida, Quebec, plant. It ended after 4 months in union victory with 3-year contract including 40-hour week, 45c an hour in wage increases, and opportunity to move toward a master contract for all of company's Quebec plants.

A special feature of the 1957 strike scene was increasing bitterness, often associated with strikebreaking and violence, evident in a number of strikes. Canada's two largest unions, Steelworkers and Auto Workers, each had a recognition strike, and each lost after a sharp struggle. The larger and more nationally significant of these strikes was conducted for seven months by the Steelworkers against Gaspe Copper Co., part of the Noranda mining empire. This strike of 450 workers had fine local participation, as well as national support, but involved a new enterprise in a remote, previously unindustrialized section of Quebec. A combination of economic pressure in a company-owned town, imported strikebreakers, lack of alternative jobs, Quebec's notorious anti-labor legislation, and the approach of winter forced a call-

ing off of the strike without contract or guarantees against discrimination.

Even some straight economic strikes took a bitter turn. For example, in the Chemical Workers' 6-month strike against Lever Brothers soap plant in Toronto the company used strikebreakers and a back-to-work movement so effectively the union had to settle on a 3-year contract giving some wage increases but leaving strikebreakers in possession of jobs and spreading the recall of strikers over several months.

**Strikes and Contracts in 1958:** In contrast with 1957, the year 1958 was a major collective bargaining year, with 90% of all workers under large contracts coming into negotiations. Unemployment remained at a high level and the employers held out strongly against improvements. The government's call to hold the line against price rises reinforced the employer position against wage hikes. The larger precedent-making contracts moved slowly through direct negotiation, mediation, conciliation boards and frequently to a strike, still without settlement until the line began to break in the fall. Smaller contracts waited for precedents, or made stop-gap settlements, with a substantial proportion only for one year and fairly small increases, sometimes none at all. Time loss from labor disputes was nearly 3 million days for the year, 75% above 1957, and about equal to 1952, which, next to 1946, was Canada's peak time-loss year.

Two of the ten heaviest time-loss disputes in all Canada's labor history were in 1958. One was Mine-Mill against International Nickel Co. (Inco) at Sudbury and Port Colborne, with 14,000 out for 87 days starting in mid-September and a total time loss of almost a million days. The other was Steelworkers against Steel Co. of Canada (Stelco) at its main Hamilton plant with 8,000 workers out for 84 days starting in early August for a time loss of about 500,000 days.

Both these strikes followed conciliation board reports which, with the majority recommending no wage change at all, were key points in employers' hold-the-wage line front. The Stelco strike was most typical of the year's stoppages, a quiet but prolonged test of strength of about the same length as the big steel strike of 1946. Eventual settlement, giving workers wage gains in spite of the conciliation board recommendation, came as a result of a line break by a second major steel company in October, coupled with a rising market for steel. The Stelco settlement was for a 28c an hour wage and fringe package over a 3-year contract.

The Mine-Mill strike at Inco produced in newspapers and elsewhere

the most widespread public attacks against a particular union on strike ever seen in Canada in recent years. CLC officially stood aloof, neither aiding nor raiding, but many individual CLC unions gave sympathy and support. The cost of a strike of such size and length was staggering, especially for an independent union, but it resulted in wage and fringe gains averaging 16c an hour over a 3-year contract and assurance of return to a regular workweek after months of short time. An unusual feature of both Stelco and Inco settlements was the progressive rise in wage-increase figures for each year as the 3-year contract progresses.

Settlements in other industries, with or without strikes or strike threats, were in much the same wage increase range as those reached at Stelco and Inco, and showed the same trend to longer contracts, mostly 3 years or at least 2. Largest of all Canadian contracts, for unions covering 130,000 non-operating railway workers, was finally settled in December, 1958, after a year's delay, and on the eve of the nation-wide strike deadline, for 14c an hour in 3 stages over 2 years. Later the Railroad Trainmen, largest bargaining group in the operating trades, reached a settlement on Canadian National Railways for a 10% increase over 3 years.

Late in the year and into 1959 the Auto Workers wrapped up 18c-per-hour gains in wages plus fringe benefit improvements over 3-year contracts at all 3 major auto companies, after serious strike threats at General Motors and Ford and a 7-day strike at Chrysler. Some leading GM and Chrysler members of bargaining committees claimed the gains could have been higher but for intervention from head office in U.S. starting with refusal to authorize a strike for Canadian General Motors workers.

Other strikes and strike threats of late 1958, some of them running into 1959 before settlements were reached, involved workers in the farm implement industry, in Northern Ontario gold mining, in Westinghouse plants, as well as public service workers, municipal civil servants, building trades workers in several cities, and pulp, paper and wood workers. Even radio and television producers for the French network of the Canadian Broadcasting Co. in Montreal, after a 70-day strike, which the *Toronto Star* called "a middle class revolt", won recognition as a collective bargaining group. The bitter struggle in the Newfoundland woods, carried on by the Woodworkers against the Anglo-Newfoundland Development Co. and the Bowater Pulp & Paper Co., was still in progress in March 1959, with the provincial govern-

ment, headed by Premier John Smallwood, actively helping the company to break the strike.

**Anti-Union Campaign:** On a national basis the CLC was charging that an expensively organized propaganda campaign was carried on to undermine union strength. It was led by the Canadian Manufacturers Assn., as well as a new outfit called the Independent Committee for Employee Rights and Freedoms. The campaign is designed to import the "right-to-work" laws into Canada, to tighten laws relating to picketing, secondary boycotts and jurisdictional disputes, and to promote compulsory arbitration.

Similar movements against labor are under way in the provinces where reactionary forces are calling for new curbs on unions, with anti-labor laws already passed in Newfoundland and British Columbia. Many legislative proposals against the unions express the acceptance of anti-labor propaganda charges, especially against the Teamsters, although in Canada that union has been charged with bureaucracy but not with racketeering.

**Relations with U.S.:** Other issues involving labor relate to the struggle against U.S. domination of Canadian economic and military affairs. The unions especially resent the importation of U.S.-made military equipment into Canada, keeping Canadians from jobs while U.S. lobbies oppose sharing of orders with Canadian firms. The U.S.-influenced decision to stop the manufacture of a Canadian-designed interceptor plane (the Arrow-jet) led to the laying off of nearly 14,000 workers in Toronto in February, 1959.

Another important issue that has caused general concern in the Canadian labor movement is the U.S. influence in preventing development of trade between Canada and the People's Republic of China. An outstanding example of protest was the action of the Auto Workers union in Canada opposing orders from the U.S. Ford office that prevented the Canadian Ford plant from selling cars to China. The Steelworkers union protested the U.S. influence that kept the Aluminum Co. from selling aluminum to China from its British Columbia plant; and the Rubber Workers registered a similar official protest against interference with the export to China of Canadian rubber belting.

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